

LEGISLATIVE ASSEMBLY OF ALBERTA

[Leave granted; Bill 267 read a first time]

Title: **Tuesday, March 17, 1987 2:30 p.m.**

Date: 87/03/17

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

[Mr. Speaker in the Chair]

PRAYERS

MR. SPEAKER: Let us pray.

From our forests and parkland to our prairies and mountains comes the call of our land.

From our farmsteads, towns, and cities comes the call of our people that as legislators of this province we act with responsibility and sensitivity.

Lord, grant us the wisdom to meet such challenges.

Amen.

head: **INTRODUCTION OF VISITORS**

MR. TAYLOR: I would like to introduce to you and through you to the House, 67 students from G.H. Primeau school in Morinville in my riding, accompanied by four teachers and three parents. The four teachers: Mr. Meunier, Mr. Raczynski, Ms Smith, and Mr. Malanchen. The three parents: Mr. McKale, Ms Height and Ms Pifko. I'd ask them now to stand and be recognized in both the public and the members' galleries.

head: **INTRODUCTION OF BILLS****Bill 19****Boundary Surveys Amendment Act, 1987**

MR. HERON: Mr. Speaker, I request leave to introduce a Bill, being the Boundary Surveys Amendment Act, 1987.

The provincial legislation, Alberta and British Columbia, must be amended to recognize a new procedure to be consistent with the Constitution Act of 1982.

[Leave granted; Bill 19 read a first time]

MR. CRAWFORD: Mr. Speaker, I move that Bill 19 be placed on the Order Paper under Government Bills and Orders.

[Motion carried]

Bill 267**An Act to Amend the Domestic Relations Act**

MR. GOGO: Mr. Speaker, I beg leave to introduce Bill 267, An Act to Amend the Domestic Relations Act.

Mr. Speaker, legislation presently reads that when parents are not living together or are divorced or judicially separated, they may enter into an agreement as to which parent may have the child or children. This amendment -- the principle is that the parents shall be awarded joint custody of the minor if both parents and the court are in agreement.

head: **TABLING RETURNS AND REPORTS**

MR. ANDERSON: Mr. Speaker, I'm pleased to table for hon. members this afternoon two reports: the annual report of the Alberta Culture department, 1985-86; and the annual report of the Alberta Foundation for the Performing Arts.

MR. SHABEN: Mr. Speaker, I wish to file copies of the Alberta government's submission that was presented today in Edmonton to the House of Commons Standing Committee on Transport with respect to federal Bill C-18, the National Transportation Act, and Bill C-19, the Motor Vehicle Transport Act.

MR. RUSSELL: Mr. Speaker, I wish to table the annual report of Red Deer College, as required by statute.

head: **INTRODUCTION OF SPECIAL GUESTS**

MR. SIGURDSON: Mr. Speaker, on behalf of the hon. Member for Edmonton Avonmore, I have the pleasure today to introduce to you and to members of the Assembly, some 60 grade 5 students from the Grace Martin school from the constituency of Edmonton Avonmore. They are accompanied by three teachers -- Mr. Kramar, Ms Leisen, Mrs. Flaman -- and two parents, Mrs. Fisher and Mrs. Hiron. They are seated in the public gallery, and I would ask that they all rise to receive the traditional welcome of the Assembly.

MR. ROSTAD: Mr. Speaker, I'd like to introduce to you and through you to the Assembly, visitors from Christchurch, New Zealand: Tom and Beth Prestage, who are accompanied by the reeve of the county of Camrose; Mr. Bob Prestage; and councillor Bill Banack and his wife, Cecilia. They are located in the public gallery, and I'd ask the Assembly to give them your warm welcome.

MRS. HEWES: Mr. Speaker, I have the pleasure to introduce to you and through you to the members of the Assembly, the Hogg family from Cranbrook, B.C., who are visiting with us in the city, and just to tell you, Mr. Speaker, that Kevin, age eight, is a collector of election signs and a watcher of elected representatives. We all urge him to keep that up. Will the House please give the family the traditional welcome.

head: **ORAL QUESTION PERIOD****Health Care Insurance**

MR. MARTIN: Mr. Speaker, I'd like to direct the first question to the Premier. The government's announcement today on Bill 14, while welcome because it's a point that we were making last week in the Official Opposition, does not change the fact that the government has embarked on a campaign to remove services from medicare; deinsurance, they like to call it. My question to the Premier: has the Premier decided to go the next step and renounce the government's policies of cutting back on Alberta medicare, and if not, why not?

MR. GETTY: Mr. Speaker, normally I would just ask our minister of hospitals and medicare to respond to the hon. Leader of

the Opposition, but I should perhaps just state the government's policy position which relates to his question; that is, that we have built the best medicare system in North America here in Alberta, that we intend to keep it that way, and that we will make sure that it is accessible to all Albertans regardless of their financial circumstances.

MR. MARTIN: Mr. Speaker, that's all very well and dandy; it has been a good medicare system. But the problem we're talking about is the future, and I want to ask the Premier: as the leader of this government will he now renounce the particular deinsurance that's going on and say unequivocally to Albertans that they're prepared to drop Bill 14 at this moment?

MR. GETTY: Mr. Speaker, Bill 14 is brought by my colleague the hon. minister of hospitals and medicare. I'd ask him to respond to that matter.

MR. M. MOORE: Mr. Speaker, as I've indicated on several occasions during the course of the last week, it is not the government's intention by way of Bill 14 to in any way create a situation where Albertans do not have access on an equal basis to the medicare system. I've also indicated numerous times that I don't believe that the amendments to Bill 14 are going to result in the private insurance industry jumping into a business competing with the Alberta health care insurance plan when our premiums are subsidized to the tune of about 75 percent of the cost. So that's been made abundantly clear on many, many occasions.

I have, however, discussed the matter with members of our caucus, and it does appear that there is the possibility that members may misconstrue our objectives. As a matter of fact, the Leader of the Opposition has been reasonably successful over the course of the last week or so in doing that. So in order to make it abundantly clear that we do not intend that private health care insurance companies compete with the Alberta health care insurance plan or that there be a two-tier system of health care in this province, it would be my intention to introduce at committee study some amendments to Bill 14 that would be along the lines of not allowing a private-sector insurance company to provide insurance for those items that are covered either in whole or in part or those portion of items that are covered by the health care insurance plan.

MR. SPEAKER: Thank you, hon. minister. The undertaking has been given to the House with respect to amendments to Bill 14. Perhaps we'll now go back to the general principle, not carry on on the detail of the Bill.

MR. MARTIN: Mr. Speaker, the reason I was directing it to the Premier is that I understand he made the announcement and not the minister today, so obviously he had something to say about it. And to come back to the Premier, because a member of this government stated clearly that the government was moving towards a two-tiered system, my question: will the Premier now admit that the government's proposals will still have the effect of establishing a two-tiered system -- better health care for those who are privately insured and worse for average Albertans?

MR. GETTY: Absolutely not, Mr. Speaker.

MR. MARTIN: Well, that's a question. Mr. Speaker. Let's narrow in on this. then. Is the Premier saying that if you deinsure a

number of services and that you can only get those if you pay out of your pocket or if you have private insurance, this does not lead to better health care for those who can afford it? How can you explain that?

MR. GETTY: Mr. Speaker, I see you're leaning forward. I guess we are close to anticipating discussion on the Bill. However, I'd just say that currently the Alberta government insures far more matters under its medicare than any other province in Canada, that it will continue to do so, and that as I stated earlier, on the policy and not on the Bill, we have created the best medicare system in North America. We intend to keep it that way, accessible to all Albertans regardless of their financial circumstances.

MR. TAYLOR: Supplementary, Mr. Speaker, also to the Premier. Having burned his fingers once, would the Premier now undertake to withdraw the Bill or table the Bill until autumn so that the public of Alberta can be consulted on those procedures that you intend deinsuring?

MR. GETTY: Well, Mr. Speaker, the hon. minister of hospitals and medicare has already dealt with that matter.

MR. R. SPEAKER: A supplementary question to the minister of hospitals for clarification. The minister at the end of his remarks in answer to the question indicated that private insurance would not cover those programs under the Alberta health care insurance program. Could the minister just clarify if that was his statement to be made?

MR. M. MOORE: Mr. Speaker, what I was suggesting is that I would intend to bring an amendment to the House on committee study that would insure that private insurance companies could not in fact insure for services where coverage is provided by the Alberta health care insurance plan. That would apply as well to services like chiropractic services or podiatry services, where there are limits on the Alberta health care insurance plan, up to the limits. Beyond that, of course, we would want to allow, which was the main intent of the Bill, private insurance companies to be able to provide insurance to those who wish to have it.

MR. MARTIN: Mr. Speaker, I'd like to come back to the minister of hospitals and medicare. The essence of this urgent public concern, as confirmed by the honesty of that member sitting back there, is that it does lead to a two-tiered system. He agrees with that, that's not the point. The point is that it does lead to a two-tiered public versus private medicare system. In view that there have been a lot of contradictions and backtracking from this government, would the minister now ask the Premier's permission to withdraw the Bill, at least for the time being, and go back to the drawing board on this particular Act?

MR. SPEAKER: With due respect, hon. Leader of the Opposition, two questions are supposed to not simply be the continuation of what the first question was all about. Bearing in mind the supplementary question for the Member for Westlock-Sturgeon, the Chair has great difficulty; it's the same issue.

MR. MARTIN: In fact, Mr. Speaker, we did not get the answer on that. I was asking the minister if he would ask the Premier, which is a different slant.

MR. M. MOORE: Mr. Speaker, I'd be pleased to answer the question. The facts of the matter are that the Bill, as it was presented to the House a week ago, does absolutely nothing to deter from the good medical system we've got in this province, which is the best in Canada. I'd like to repeat that again; there's nothing going to change with respect to our system in this province having equal access for everyone and being the best medical care system in this country. That's a commitment.

The amendment that I am suggesting we could make is simply one to pacify the Leader of the Opposition in his continual insistence that there is some hidden agenda. And I'm prepared to . . .

MR. SPEAKER: Hon. minister, I'm sorry. There is great difficulty involved here, because the Chair determines that this is basically the same line of questioning as what the issue was in the first line of questioning from the hon. Leader of the Opposition. No matter how many heads get shaken in the Assembly, that's the interpretation the Chair is forced to make. The second admonition is to the minister, that we are not here to be discussing any amendment at this stage of the game. That will happen in due course.

Now, supplementary question on a medical issue.

MR. MARTIN: Mr. Speaker, we're talking not about the Bill, but there seems to be a contradiction. The minister has said that he has talked to his caucus and that he had support and that they understood this Bill. He made that clear. My question is to the minister: how can one member of this government have a different interpretation from him, then, if it was discussed at the caucus?

MR. M. MOORE: There are others that may wish to make additional comments, but we're fortunate that the Progressive Conservative Party still has some independent thinkers in it.

MR. MARTIN: Well, supplementary question then, Mr. Speaker, if I may. Because there is a great deal of confusion caused by this government -- what I might say an ill-conceived Bill -- would the minister at least at this point stand up and tell this Assembly what services precisely this government is looking at deinsuring?

MR. M. MOORE: Well, Mr. Speaker, I've answered that question several times in the last several days as well. We are considering a number of items that aren't medically required, and we will continue to have the best health care insurance plan anywhere in Canada.

MR. MARTIN: Yes, Mr. Speaker. This minister's interpretation of medically required and other people's may be very different. That's why we need this information, so we can make an intelligent decision on this Bill. My question to the minister: will he at least agree that we would bring a resolution to this Assembly declaring all the services they're looking at dropping before they did so?

MR. M. MOORE: Mr. Speaker, if the hon. Leader of the Opposition will just be patient and quit pointing his finger at me, by the time the session is over, he will have an answer to his question.

MR. TAYLOR: A supplementary, Mr. Speaker. I hope the

minister will refer to the Member for Calgary North West to inform the Legislature again after his question.

Could the minister take it upon himself to tell the Legislature whether he has sought and obtained a legal opinion from CAP or the federal authorities as to whether or not the processes or procedures he intends deinsuring are legal for him to do so?

MR. M. MOORE: Well, Mr. Speaker, it's not our practice to consult with the federal government with respect to legislation that is presented to this House.

Prescription Drug Costs

MR. TAYLOR: This is also to the beleaguered minister of hospitals and medicare, Mr. Speaker. The minister has indicated that the government's intention is to reduce the cost of provincial health care by deinsuring medical services currently covered by the Alberta health care yet . . . [interjections] I've got a second sentence here. Just relax; it's not a Diefenbaker sentence. Yet government inaction to control other health care costs such as prices of prescription drugs in Alberta results in Albertans' paying millions of dollars more than they should for these prescriptions. To the minister: can he tell the House why Alberta is the only province in Canada in which pharmacists are paid on the basis of a percentage of the retail price of the drugs they sell rather than on a negotiated, fixed fee with the government?

MR. M. MOORE: Well, Mr. Speaker, first of all, I believe the hon. member's information to be totally inaccurate with regard to the comparison between this province and others, but the matter is not one that's totally within my responsibility. The Minister of Consumer and Corporate Affairs and perhaps the Minister of Social Services, who purchase drugs for clients, might have to add to it.

MR. TAYLOR: Mr. Speaker . . .

MRS. HEWES: Let them answer. Are they going to answer?

MR. TAYLOR: I don't think he wants that hot potato, but I'll go ahead.

MR. SPEAKER: Supplementary question, Member for Westlock-Sturgeon. The Chair sees no minister standing up for further information. Supplementary, please.

MR. TAYLOR: Mr. Speaker, supplementary. Can the minister tell the House why he has not acted to bring Alberta's legislation with respect to the pricing of prescription drugs into line with the rest of Canada?

MR. M. MOORE: Mr. Speaker, perhaps I could take that question as notice and check into it. I do not believe, from surveys that were done in this province a couple of years ago, that the price of prescription drugs in Alberta is any greater than it is in other provinces in Canada, but I'd like to take the question as notice and will come back with a full answer.

MR. TAYLOR: Thank you, Mr. Speaker. I think the minister knows that I know the answer; otherwise, I wouldn't have asked him.

Is the minister aware that he could save Albertans ap-

proximately \$7 million a year right now if he increased the use of generic drugs up to the level consistent with what other western provinces are using the generic drugs?

MR. M. MOORE: The hon. member's programmed supplementaries are going to result in a programmed answer. I'll take that under advisement as well.

MR. TAYLOR: Mr. Speaker, to the minister. I might as well give him a full agenda. Will the minister agree to fully investigate alternative methods of saving health care dollars, such as reducing the cost of prescription drugs, before he further deinsures medical procedures?

MR. M. MOORE: Mr. Speaker, I've indicated earlier that I would inquire into the hon. member's allegations that prescription drugs in this province are more expensive than they are in other provinces, and perhaps after having done that, he and I can engage in a debate about whether we make some moves in the area of controlling pharmacists in this province in terms of drug prices or whether we look at other avenues to reduce our overall health care costs.

REV. ROBERTS: Mr. Speaker, has the Minister of Hospitals and Medical Care responded to the Alberta Hospital Association's request for additional funding for the cost to them of increased drug prices after patent protection becomes law, including the cost of nonionic contrast media, which is going to increase the cost tenfold to some hospitals?

MR. M. MOORE: Mr. Speaker, the hon. member is not up to date on the manner in which we fund the hospitals in this province. The Alberta Hospital Association does not fund hospitals and therefore has made no request to me with respect to their increased costs.

There are costs reflected in the hospital system because of drug prices that are the responsibility of my department. Our government has taken a position overall, Mr. Speaker, that there are benefits for Alberta and for Canada with respect to the legislation that's now before the House of Commons with respect to the protection of drug patents over an extended period of time and the creation of job opportunities and research and development in our country. We think that's a responsible position to take over the longer term and is better than the rather expedient position that was taken by the NDP in Ottawa and bought lock, stock, and barrel by their provincial counterparts in Alberta.

MISS McCOY: Mr. Speaker, it is true that the government of Alberta has made representations to the federal government regarding the proposed amendments to the Patent Act, one of which is that we have asked for further compensation to the provinces in the event that there is any change in prices to prescription drugs. Furthermore, we are endorsing completely the drug prices review board which is proposed by the federal government on the understanding and belief that that board will maintain a reasonable price for patent drugs.

Agricultural Assistance

MR. R. SPEAKER: Mr. Speaker, my question is to the Minister of Agriculture. It's with regards to the special Canadian grains program and actions taken by the minister in terms of some of the inequities. I've had representations from a number of farm-

ers and, as well, the Alberta soft wheat growers that point out that the irrigation farmers of southern Alberta have been mistreated in terms of the application of the program and losses have amounted to some \$19.69 per acre, which could amount to some \$6 million of losses to these irrigation farmers in southern Alberta.

MR. SPEAKER: Question, please.

MR. R. SPEAKER: Could the minister indicate what actions he has taken in making representation to the federal minister to change the inequities for the final payment that is to be made in June?

MR. ELZINGA: Yes, Mr. Speaker. I am happy to report to the hon. member, as I have done to the Legislative Assembly in the past, that we have made representation to the federal minister acknowledging the inequities that exist within the program as it relates to the irrigation areas within southern Alberta. We recently also had a public meeting whereby I underscored our commitment to attempting to have changes made to it in Lethbridge when we met with the ag stability group there with the federal Member of Parliament, Blaine Thacker, when he also took to further pursue their concerns. In addition to that, we've also raised the concern as it relates to the Peace River area whereby it's done on a block basis rather than on an individual basis, which has also caused additional harm.

I have not had a response yet from those representations, but we're also going to have the opportunity again to indicate in a forceful manner our concern when we do meet with the federal minister on March 30.

MR. R. SPEAKER: Mr. Speaker, supplementary question to the minister. Could the minister also indicate whether the inequity that occurs between some areas of Alberta where summer fallow is a necessity versus areas where summer fallow is not a necessity -- and the formula under this program is on a seeded acreage basis. Has the minister recognized that inequity, and will it as well be brought to the attention of the minister?

MR. ELZINGA: Mr. Speaker, as the hon. member is aware -- and maybe I could underscore it, too, because we deeply appreciate his presentation as it relates to the inequity of the program -- there is also an appeal process that has been put into place by the federal government so that individual farmers, in addition to making representation to the federal minister, can make an appeal through this appeal procedure. I would recommend they do that as well as both the hon. Member for Little Bow and myself making those representations.

MR. TAYLOR: Supplementary to the Minister of Agriculture, Mr. Speaker, in view of the obvious inequities of the western farmers' treatment in regard to the federal program and the fact that some of them will be driven into bankruptcy or off their land, has the provincial government or would the minister impose a provincial moratorium on farm foreclosures immediately over the same period that the federal government has put a moratorium on foreclosures for people that borrow money from them?

MR. SPEAKER: I guess it's under the general topic of agriculture.

MR. ELZINGA: Mr. Speaker, maybe I could point out to the hon. member who has just asked the question -- he is a prominent Liberal in the province of Alberta -- that this government at the federal level recently paid out a billion dollars, which has set a precedent. They've contributed more to the agricultural sector than the previous Liberal administration did in their entire term.

MR. FOX: I'm wondering, Mr. Speaker, what plans the minister has to advance at the upcoming ministers' conference on agriculture for future payments under the special Canadian grains program, either provincial or federal.

MR. ELZINGA: Mr. Speaker, I'm under the impression that the agenda is on its way to us. Once we see the agenda, we will be in a better position to formulate the positions that we are going to bring forward. Up until the time that we do see the agenda, it's rather difficult for us to comment on a hypothetical situation, because we're not quite sure what areas he does wish to discuss. We're assuming he does wish to discuss the deficiency payment, but until we see the actual agenda, it's rather difficult for us to predict what will take place.

MR. SPEAKER: Main question, Member for Vegreville followed by the Member for Red Deer North.

Health Care Insurance (continued)

MR. FOX: Thank you, Mr. Speaker. A question to the Minister of Hospitals and Medical Care. While disagreeing totally with sentiments expressed by the Member for Calgary North West yesterday, I nevertheless appreciate his frankness in dealing with the government's policy objectives, the ultimate creation of a two-tiered medical system.

MR. M. MOORE: On a point of order. The hon. member has deliberately misconstrued everything that's been said in the last ... [interjections]

MR. SPEAKER: There's another interesting wrinkle which the Chair detects. It's the matter of naming a government member who is not in the front bench and the inability of that member to be able to respond within question period. That's not regarded as good form in the tradition of this House. The Chair also has great difficulty with this line of questioning and looks forward to seeing what the difference is between the first two questions of the day -- in fact, the first three. Take care, hon. member.

MR. FOX: My apologies, Mr. Speaker, if an impropriety occurred. What assessment has the minister made of the impact on rural hospitals of having to provide service for preferred, privately insured patients in facilities built for the rest of us to use?

MR. M. MOORE: I wonder if the hon. member could repeat his question. I didn't get the import of it. Perhaps I missed the last sentence.

MR. FOX: In reference to things that I can't mention in the preamble, what assessment has the minister made of the impact on rural hospitals of being forced to provide service for preferred, privately insured patients in facilities that are built for everyone to use?

MR. M. MOORE: Mr. Speaker, I'm sorry that I can't understand the question at all. There's been no suggestion anywhere on this side of the House that there was going to be any change in the medicare system. If the hon. member has a hidden agenda, he may wish to share it with me.

MR. FOX: From a different angle then, Mr. Speaker, I think it's important. What assurance can the minister give rural Albertans that none of them will be denied access to their own medical facilities by doctors providing deinsured service to private patients who use their money to jump ahead in the lineup?

MR. M. MOORE: The hon. member must have been visiting Manitoba. His question doesn't relate to this province at all.

MR. FOX: Has the minister any evidence to lead him to believe that the effect of the aforementioned Bill as amended would not further aggravate the shortage of doctors in rural Alberta?

MR. M. MOORE: Mr. Speaker, the possibility that some individual from rural Alberta could buy private-sector insurance to cover items not now covered by the Alberta health care insurance plan -- in my view, one would have to have a great, great deal of imagination to figure out how that would ever affect the supply of doctors. I can't imagine how it would. Maybe the hon. member could explain it some other time.

MR. SPEAKER: A final supplementary.

MR. FOX: A final supplementary. Does the minister not recognize that in the provisions outlined, there's an incentive for doctors to lean towards privately deinsured services at the expense of services available in rural ...

MR. YOUNG: A point of order. [interjections]

MR. SPEAKER: The Chair recognizes the Member for Red Deer North followed by the Member for Edmonton Meadowlark.

AIDS Education

MR. DAY: Thank you, Mr. Speaker. A question to the Minister of Education. In the light of the recent Edmonton public school trustees' decision that junior high students will receive teaching on the AIDS virus in a new course on human sexuality, and as other districts are considering moving in the same direction, can the minister tell us if she or her department has any input or oversight into the content of such courses?

MRS. BETKOWSKI: Yes, Mr. Speaker, very definitely. It is the province's role to develop curriculum in the province and then entrust to school boards the day-to-day operation of schools in order to deliver that curriculum. The human sexuality component, which requires a board resolution in order for it to be taught within the health curriculum generally, is a step which the Edmonton public board has taken and which other boards in this province have taken as well.

MR. DAY: Thank you. Mr. Speaker, can the minister tell us if there are any plans for parents to be involved or informed as to what is going to be taught in these courses?

MRS. BETKOWSKI: Mr. Speaker, once the board of a school system has taken the step by board motion to implement the human sexuality component into their health curriculum, parental involvement is very much a part of the way that curriculum is developed. There is a parent information night which is held at the school, and the ongoing involvement of parents as the curriculum develops in order to ensure that they are aware of what their children are being taught is very much a part of the partnership which exists between school boards and parents in the province on this important subject area.

MR. SPEAKER: Member for Red Deer North, a supplementary.

MR. DAY: Thank you, Mr. Speaker. Do these courses -- will they be emphasizing the fact that the safest form of sexual activity is that which occurs between one man and one woman within the confines of a long-lasting relationship otherwise known as marriage?

MRS. BETKOWSKI: Mr. Speaker, marriage is certainly part of the discussion of the health and personal life skills problem. The discussion of the subject, however, is not strictly related to the human sexuality portion. I think it is also important to note that besides the nuclear family there are loving relationships which exist in other kinds of family relationships, and all of those are discussed within the whole context of the human and personal life skills curriculum.

MR. SPEAKER: A final supplementary, Member for Red Deer North.

MR. DAY: Thank you, Mr. Speaker. I'm somewhat disappointed to see the Leader of the Opposition making light of such a serious topic. Will these courses also be emphasizing the fact that even the condom companies admit that their product is not 100 percent safe, thereby making so-called casual safe sex still a risky proposition?

MRS. BETKOWSKI: Mr. Speaker, I will take the question in the context of the development of curriculum in the school system. AIDS is obviously a fatal disease, and research shows that there is more than one way for the AIDS virus to spread. Science is trying its hardest, obviously, to find a cure for AIDS but as yet has not been able to do so, and therefore no single preventative measure is safe in the truest sense of the word.

I am working on the development of curriculum with the minister of community health to ensure that our curriculum is up-to-date and appropriate, and perhaps he would like to supplement my reply.

MR. SPEAKER: It seems not. Member for Edmonton Centre, a supplementary question.

REV. ROBERTS: Mr. Speaker, on the matter of AIDS education, could I ask the Minister of Hospitals and Medical Care if he has instructed any departmental officials to begin a program of instruction in terms of AIDS in the hospital sector, in terms of how hospital workers and people who work on the staff of hospitals can have the best available knowledge of the spread and control of AIDS?

MR. M. MOORE: Mr. Speaker, the Minister of Community

and Occupational Health has the prime responsibility for that matter within our government. I'd ask him to comment.

MR. DINNING: Mr. Speaker, through our department and through the communicable diseases division the information that is available for providing education to workers in high-risk situations is available. Through our communicable diseases division we are making that information available to all hospitals, doctors, and other workers in high-risk groups.

MR. CHUMIR: Supplementary to the Minister of Community and Occupational Health, Mr. Speaker. I was wondering whether or not the minister has been engaged in any consultations with the Minister of Education over the issue of AIDS in order to determine when the issues of sexuality go beyond simple morality and education and into areas that affect the health of the whole community, or is this a matter of nonconsultation, as in the case of community schools?

MR. DINNING: Mr. Speaker, the Minister of Education and I and many other members of our caucus have discussed this issue. Our focus on the education front is primarily on putting together the information that will make a very comprehensive curriculum available to schools in this province, to parents in this province, and to students, to make sure that they are aware of the disease, what it is, what causes it, and how it is prevented.

MR. SPEAKER: The Member for Edmonton Meadowlark followed by the Member for Edmonton Centre.

Trust Company Legislation

MR. MITCHELL: Thank you, Mr. Speaker. The Ontario government has announced sweeping changes to laws regulating trust companies in that province, allowing them to compete more effectively in financial markets. After \$1 billion in bailouts to our financial industry in this province, this government has announced only minor adjustments to consumer loan regulations for trust companies in Alberta. Does the Treasurer not agree that a complete and immediate overhaul of Alberta's trust legislation is in order now, particularly in light of the recent collapse of Heritage trust and North West Trust?

MR. JOHNSTON: Mr. Speaker, part of the ongoing consideration of the continuing movements by this province, this government, to stabilize the financial infrastructure is, in fact, the consideration of the policy questions on trust companies and other financial institutions. It is well known that the combination of problems in this province has been exacerbated, and we've had to face some very serious problems. That's a matter of record. There's no denying that we have come to the assistance, for example, of credit unions in a significant way. We have been able to find a way to refinance the two trust companies that the member spoke about using federal government money. We will in this continuing process bring forward policy suggestions to this Assembly.

It is a matter of fact that next Monday the hon. Minister of Consumer and Corporate Affairs will take the Alberta position forward to discuss with the federal minister our outline and our views as to how that restructuring can take place, recognizing both the federal jurisdiction, in this case, and recognizing more fully the way in which this province intends to move over the next year.

MR. MITCHELL: Unless the government has changed the allocation of that responsibility, do not trust companies still remain with the Treasurer? Could the Treasurer please assure the House that he is aware that unless we maintain pace with Ontario's regulatory changes, legislative changes, in this important area, Alberta's trust companies will be placed at a competitive disadvantage and we will not be able to attract new trust companies to this province?

MR. JOHNSTON: Mr. Speaker, when the member talks about pace of Ontario adjustments, he should also put on the record the fact that that pace he refers to has also placed Ontario in immediate conflict over jurisdiction with the federal legislation. This province will avoid that.

MR. MITCHELL: We have complete and utter control over the jurisdiction in this particular area at the provincial level. Can the Treasurer tell the House whether he is contemplating changes that would allow Alberta trust companies to diversify through commercial lending and through the ownership of brokerage firms, as is now being allowed in Ontario?

MR. JOHNSTON: Well, again, Mr. Speaker, I'm not getting into a constitutional debate, but it should be known that some trust companies which operate in this province are registered outside of this province. In terms of those trust companies which are in fact registered here, we will provide them with a new policy format which will deal, as we have discussed over the past year, with the so-called four pillars of operation. We are responding; we are listening very carefully to the kind of policy suggestions which are flowing from other provinces, and this province will be prepared to move, as we have done historically and as we will do in the future.

MR. MITCHELL: To the Treasurer, Mr. Speaker. Could the Treasurer please assure us that he will be instructing his officials to do something now, immediately, with respect to comprehensive legislation so that Alberta's beleaguered financial industry is not further disadvantaged by the apparent lack of action by his government?

MR. JOHNSTON: Mr. Speaker, if he wants me to hold up cue cards, I'll be glad to do that. I've just answered that question, indicating that we're in the process of doing just that. This government has a record of responding when the need is there. This government is always in the forefront of change when it comes to policy, and we'll continue to do just that.

MR. McEACHERN: Mr. Speaker, perhaps the Treasurer could tell us what this government has done, to look back at the last four or five years and their lack of regulation and supervision of the trust companies, that has led to the mess that we are now in.

MR. JOHNSTON: That ranks high with fallacious arguments, Mr. Speaker, and that should not go. This province has in place one of the most effective control mechanisms. We've been able to respond where necessary, and our legislation, up until the most current debate, with respect to trust company policies has seen to be as contemporary as any legislation in Canada.

Health Care Insurance *(continued)*

REV. ROBERTS: Mr. Speaker, last week the Minister of Hospitals and Medical Care issued a fact sheet about the purposes of Bill 14 in which he says the prime purpose is to allow a private insurer to indemnify a resident for the cost of any basic health service ... or [any] extended health service.

Is the minister now today saying that this is not a fact sheet but a fiction sheet and he will revise it and issue a new one?

MR. M. MOORE: Mr. Speaker, the hon. member would be well advised to read the fact sheet very carefully, because it's a great deal more factual than anything I've heard from the hon. member in the last several weeks.

REV. ROBERTS: Mr. Speaker, the minister also last week proudly read into the record a letter from the Alberta Medical Association congratulating him on his moves behind Bill 14. Will he now return a letter to the AMA outlining the true purposes of the Bill, which would not allow private insurers to cover their medically required services?

MR. M. MOORE: Mr. Speaker, since receiving the letter from the Alberta Medical Association, I've had an opportunity to speak to some of their executive members. The real concern of the Alberta Medical Association, as I understand it, arose from discussions they had with their counterparts across Canada, where in some provinces citizens were denied the opportunity to purchase insurance coverage for services not covered by that province's medical care plan. Most notably that apparently has occurred in Manitoba, and the government has been insensitive to the needs of individuals in that province. So that's perhaps an explanation for the hon. member to consider, as to why doctors in this province were concerned about the existing situation and did agree with the amendments that have been proposed.

Increasing Number of Doctors

REV. ROBERTS: In the minister's discussions with the doctors, has he outlined to them his proposals for controlling their billing numbers or limiting the number of doctors that may practise in Alberta to control utilization as one of the other trial balloons that the minister has floated?

MR. M. MOORE: Mr. Speaker, I have discussed with the Alberta Medical Association and with the College of Physicians and Surgeons the problem of the increasing number of medical doctors in Canada. It's not a problem that's just confined to Alberta. Indeed, a cross-country report that was done some two years ago indicated that by the year 2000 we would have a surplus of doctors right across the country, somewhere in the order of 10 to 15 percent more than what was required. A report two years ago also indicated that the level of physicians to population in Alberta should be about 700 persons for each physician. We have now reached the stage where in Edmonton there are less than 500 persons for each physician that's actually practising. In addition to that, Mr. Speaker, the College of Physicians and Surgeons is sanctioning or licensing upwards of 90 physicians per year to come into Alberta from outside the country.

So we've got a twofold challenge. One is that we've got to find ways to make greater opportunities for Canadian and Al-

berta graduates of medical schools to practise medicine in our province. Secondly, we've got find a way to disperse them outside of the two major centres to where physicians are in many cases in short supply now. And thirdly, we've got the challenge of making sure that we don't create a situation where we're educating people for medical jobs that don't exist. And I think those are challenges that both the Minister of Advanced Education, myself, and everyone in this Assembly needs to meet.

MR. SPEAKER: Final supplementary question on this . . .

REV. ROBERTS: Mr. Speaker, we know what the challenges are. I asked the minister a direct question. If he is not going to admit to deinsuring services, is he going to admit -- yes or no -- that he's going to control the number of doctors and the amount that they can bill to the plan? Yes or no?

MR. M. MOORE: Well, Mr. Speaker, certainly we are continuing to have discussions with the College of Physicians and Surgeons and with the Alberta Medical Association. We'll have to have discussions as well with the medical schools in this province as to whether or not there is some other alternative to controlling billing numbers such as they're doing in British Columbia. I've said that that's one of the alternatives if we can't find another way to ensure that there is a balance between medical practitioners and people requiring those services. I'd be happy, if the hon. member has more time outside the question period, to advise him further about all of the ramifications of the surplus of medical practitioners as they exist in many other countries. It's not an easy matter to satisfy. I'm hopeful that we can provide a way.

MR. SPEAKER: Member for Westlock-Sturgeon, supplementary.

MR. TAYLOR: Supplemental, Mr. Speaker, to the Minister of Advanced Education on the same issue. Has he given any instructions to the universities in the province of Alberta to limit the number of doctors that they will graduate?

MR. RUSSELL: No, I haven't, Mr. Speaker, but it's my understanding that they do have admission quotas in the freshman year.

MR. SPEAKER: Supplementary question, Member for Red Deer North.

MR. DAY: Supplementary, Mr. Speaker, to the minister of hospitals. Can he tell us the type of legislation that he's suggesting here? In his studies of other provinces having similar legislation, are their health care systems decimated, as the opposition have suggested ours would be?

MR. M. MOORE: Mr. Speaker, thus far there are two or three problems that I am aware of with limiting billing numbers. Firstly, of course, you've got people graduating from medical schools and not having an opportunity to practise, so they either have to go to some other province or some other country. The second problem that has been raised with me that's a very real one is that you tend to preclude young people then from coming into the system, and as the years go by, your medical practitioners tend to be ones who've been in the system much longer and perhaps don't tend to be innovative in terms of their medical

expertise. I think over the long term that would be a very difficult situation. So whatever method we come up with of matching the supply of physicians to the requirement for patient care, I think it has to consider both younger and older practitioners in the system and has to consider educational qualifications and, certainly, specialities. It also has to consider the desirability of practitioners to go to parts of the province other than the large metropolitan areas.

Imperial Oil Refinery Contamination

MR. SHRAKE: Mr. Speaker, I have a question on a serious matter in Calgary to the Minister of the Environment. It's regarding the contaminated former Imperial Oil site. I guess the site is emitting fumes, gas, and it poses some threat to the Bow River. I wonder if the minister could tell the Assembly if his department is aware of the source of this problem?

MR. KOWALSKI: Yes, Mr. Speaker. The source of the problem is in an old Imperial Oil refinery site in downtown Calgary. The site goes back to the early 1930s, and it appears that on the small acreage of land there are specific spots that have become contaminated with hydrocarbons, gasoline, and diesel fuel over the last 50 years.

MR. SHRAKE: Supplementary question, Mr. Speaker. Is the hon. minister and his department monitoring this situation to see if there's any danger to the health of the adjacent residents or the employees working at Sprung Enviroponics?

MR. SPEAKER: The time for question period has expired. Might we have unanimous consent to complete the complete set of questions in this issue?

HON. MEMBERS: Agreed.

MR. SPEAKER: Opposed? Hon. Minister of the Environment.

MR. KOWALSKI: Thank you very much, Mr. Speaker. Yes, consultations have been going on with the city of Calgary and Sprung Enviroponics, and to my knowledge there is no health concern for the citizens who live in the area. It is also my understanding that my colleague the minister responsible for community health just had some of his people look into a possible impact that it might have with an employee's working at Sprung Enviroponics.

MR. SHRAKE: A final supplement, Mr. Speaker. Could the hon. minister and his department attempt to work with the city of Calgary, Imperial Oil, and, I guess, Sprung Enviroponics to see if they could solve this problem?

MR. KOWALSKI: Mr. Speaker, those ongoing consultations have been under way for some period of time, and there is simply no doubt that it will need the expert advice and guidance perhaps of Alberta Environment in association with Imperial Oil, the city of Calgary, and Sprung Enviroponics in order to find a solution to the problem.

MR. PASHAK: Mr. Speaker, to the Minister of the Environment. Is the minister prepared to accept responsibility for any financial loss resulting from the minister's failure to ensure that these sites were made environmentally secure in the first place?

MR. KOWALSKI: Mr. Speaker. I was born in 1945. The site under question was established in the 1930s, and if the hon. member is asking me to assume ministerial responsibility for something that was developed 10 years before I was born, it's an interesting concept -- a very, very, interesting concept in parliamentary democracy.

MR. SPEAKER: A supplementary, Member for Calgary Buffalo.

MR. CHUMIR: A supplementary to the Minister of the Environment. Would the minister assure this House that when there are situations in which it is determined that the health of citizens is at risk, Alberta law will require that these situations be cleaned up so as to eliminate that health risk and also that the province will pay its share of the cost rather than leave the sole burden of the risk on the municipality or the town involved?

MR. KOWALSKI: Mr. Speaker, the answer to the last question is no. This government believes that the polluter should pay. This government does not believe that the citizens of Alberta should be responsible for picking up pollution costs created by a particular individual. The answer to the first part of the question is yes and, in fact, since the early 1980s we have had a decommissioning policy in place. The difficulty with this particular situation is that the plant site was decommissioned, as I understand, in 1975, some six or seven years before the government of Alberta had a policy of decommissioning in place. Since that time, the assurances are very positive with respect to the first part of the hon. member's question.

MR. SPEAKER: Time for question period has expired.

ORDERS OF THE DAY

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

[Motion carried]

MR. BRADLEY: Mr. Speaker, on a point of personal privilege, I would like to commend you on your choice of colours for the carpet and the chairs on this very important day, which is dear to all of us of Irish descent and those who wish they were Irish.

MR. SPEAKER: The ornamental marble made me do it.

head: MOTIONS OTHER THAN GOVERNMENT MOTIONS

204. Moved by Mr. Mitchell:

Be it resolved that the government review its existing policy with respect to Crown corporations according to the following principles:

- (1) New Crown corporations should be created only to provide services that the private sector will not or cannot provide.
- (2) Existing Crown corporations that provide services in direct or indirect competition with the private sector should, to the extent of those services, be privatized.

MR. MITCHELL: We have presented this motion, Mr. Speaker, in order to focus this government's thought on the whole issue of privatization. Over the past number of months we and the people of Alberta, we believe, have become quite alarmed about the government's reactionary view of privatization. Privatization has become a reaction to a variety of problems and pressures rather than a positive public policy response built upon issues. We have the feeling that the government is reacting helter-skelter to deficit reduction pressure and that it has begun to look, therefore, at privatization only in the context of a means of reducing the deficit -- and I should point out that it is probably doing that erroneously -- and/or that it is also looking at this policy initiative or policy reaction as a panacea for some form of economic efficiency inside and outside of government.

What we want to ensure on behalf of Albertans is that any discussion of privatization is viewed in the broader context of what Crown enterprise may or may not accomplish as a vehicle of public policy. Recent events and observations over the last number of years have raised our alarm about this area. I can remember speaking two years ago on the doorsteps of many of my constituents in Edmonton Meadowlark who were concerned about the loss of perspective of this government. And they would say, "Well, we thought that this government was a private-sector government." Yet the evidence didn't seem to bear that out.

There we saw a government that owned PWA, does own Alberta Energy, sells computers, sells computer software, sells intercom equipment in direct competition with the private sector. And what was it that it wanted to privatize? None of those things. No, this government, that had completely lost its perspective, Mr. Speaker, wanted to privatize social services. It was then that we began to become alarmed about a government that had lost its perspective on the relationship of government to the private sector and had in fact, we would argue, completely turned its view upside down about that relationship.

Then in the last session of the Legislature the Premier began to talk sporadically about privatizing certain Crown corporations, and it seems that this discussion arose in response to pressures to reduce deficit spending, to become fiscally responsible. Clearly, if there are implications for fiscal responsibility in the process of privatization, they have to be debated. But those implications cannot be considered in an overwhelming fashion without acknowledging that there are other very, very important considerations to make in the process of privatization.

First and foremost, privatizing a Crown corporation does not necessarily inevitably lead to deficit reduction. In Britain, yes, that can be the case because the British do not carry the assets of Crown corporations on their books at any value. In Canada and in Alberta Crown corporations are carried on the books at a certain level of value, and if a Crown corporation were to be privatized -- sold, that is -- there would only be deficit or debt reduction to the extent that the value received was greater than the value at which that particular Crown corporation was carried on the books. Were a Crown enterprise simply disbanded and not sold, there would in fact be an increase in the level of deficit that would result from that particular transaction. It is extremely important that this government does not throw itself headlong into a privatization scheme or a privatization policy initiative under the erroneous impression that somehow that will result in the reduction of deficit. It is not immediately obvious that that will occur under current accounting practices, of this and other Canadian governments -- accounting 'mispractices'.

Secondly, it is important that certain public enterprises are not necessarily more efficient. That may be a given under the circumstances within which government activity and enterprise must operate, but they may be more effective. Let's consider that distinction for a moment, Mr. Speaker, because no matter how efficient a private-sector enterprise might be, there are many services that the private sector simply could not provide effectively because they do not have the breadth of resources. Nor do they have the breadth of mandate or the breadth of motivation to provide those services. I am thinking of telecommunications to rural areas. It might be that private enterprise could provide telephones more efficiently with less expense to urban areas, but they would be very unlikely to want to provide the same kinds of services, the same level of services to rural areas because that might not be, in the private sector's estimation, particularly economically feasible.

And thirdly, another consideration that government must make in the process of privatization is that there are some reasons why we simply would want to spend more money to provide a service that the private sector would never contemplate providing. And I am thinking as an example in this case, Mr. Speaker, of the CKUA radio station. Whether or not that seems to be representative, that particular radio station, that policy initiative of bottom-line efficiency, contributes a tremendous amount to the education and cultural opportunities of rural residents of this province and therefore cannot be simply discarded out of hand under some economic bottom-line efficiency obsession of a government that has dug a deficit hole which it is reluctant to take the responsibility for getting us out of.

We are further alarmed because of recent trends in Canada toward the creation of Crown corporations. This is the other side of the coin, as it were. In the last two and a half decades the creation of public enterprises has accelerated significantly. Two out of three public corporations existing in this country today have been created in the last 25 years. There's a trend here, Mr. Speaker, that should be reassessed. In relation to the size of its provincial economy and based upon employment figures, Alberta ranks fourth in this country in terms of the dependency upon or the amount of Crown corporation enterprise, with over 2 percent of all Albertans employed by provincial public enterprises.

But to be specific, we are overwhelmingly alarmed due to the evolution of competition within ACT, by ACT, with the private sector. I would like to list for the Legislature, Mr. Speaker, those areas in which ACT Business Systems directly competes with the private sector. ACT Business Systems, part of which was formerly Altel Data -- Altel Data was assumed back under the structure of ACT. One can only wonder why -- perhaps to muddy the trail of that particular corporation's enterprises. Alberta Government Telephones Business System sells, and I list: computer terminals, computer printers, microcomputers, mini-computers, word processing systems, computing consulting services, computing software. AGT, in addition to those activities, also sells intercom equipment for schools, for public institutions, in direct competition with the private sector.

In our estimation, it is the nature of this competition that we should analyze in assessing the need to privatize these features of Alberta Government Telephones' economic enterprise. The competition in these areas can only be construed as being unfair toward the private sector, the private sector that is largely comprised of small entrepreneurial firms, exactly the kind of entrepreneurial firm we are making every effort in this province to promote and exactly the kind of industrial area in which we

are trying to promote them: the high-tech, science-related, industrial area.

Unfair competition arises for a number of reasons in this case and in other cases of public enterprise. First of all, public corporations can have preferred access to government contracts. That's extremely clear in the case of the Alberta Government Telephones company. In fact, I would like to congratulate the Speaker on his reaction to this realization in the case of putting sound systems in this Legislature. And I only raise it by way of example because these things can happen without those responsible actually knowing it. It was clear that there seemed to be a standard procedure whereby AGT would get some preferential treatment for government contracts. The Speaker moved very quickly upon realizing that to have the contract for this particular sound system tendered. He is to be congratulated for that. But it underlines what can happen. To the best of our knowledge AGT does have the preferred right to do telephone communications systems within government departments and government buildings.

Secondly, Alberta Government Telephones Business Systems gets the advantage of a larger advertising impact that the AGT corporation gets by virtue of name recognition arising from its larger advertising budget. That underlines a further problem; that is, the problem of cross-subsidization. It is very, very difficult for the public -- and in fact this information is not released readily by the government -- to evaluate what in fact is the cost for a company like Alberta Government Telephones Business Systems. What are their real costs in providing services in competition with the private sector? It's very clear in the private sector what the costs are and what the results are. You have a bottom line; you either make money or you lose money. But within a government corporation, the broad-ranging bureaucracy, we can appreciate that it would be very easy, not necessarily intentional at all, for accounting services, perhaps, to come from AGT and subsidize the efforts of their computer sales operations, for senior management that relates to computer sales operations in AGT and would have an impact in management, day-to-day decisions, for their costs not to be attributed to telephone implementation projects.

Thirdly, it is entirely likely, in the case of AGT again, that it can and does benefit from access to communications cost information not available to small business. Overall there is a danger of no particular economic pressure being brought to bear on the management of a corporation such as AGT in its competition with the small entrepreneur. And it is this corporation, therefore, that demonstrates itself to be a first-class example of how privatization has to be considered very, very carefully and how we in this province have to give fundamental thought to privatizing those areas of AGT and those areas of other Crown corporations which compete directly and unfairly with the private sector.

[Mr. Deputy Speaker in the Chair]

How do you solve this problem? How do we proceed with privatizing? What I would like to point out to the Legislature, Mr. Speaker, are a number of principles around which we would suggest the privatization initiative be discussed.

First of all, we should privatize where a public enterprise is competing with the private sector and where the private sector can adequately meet the needs. Secondly, we should privatize where government enterprises are the exclusive producers of a product or service to government but similar services are being

produced by the private sector. Thirdly, where a government enterprise is involved in business operations, consideration should be given wherever possible to separating ownership and control from operation in cases where it is vital for government to control a particular activity. I'm referring there to the question of public utilities. It may well be that the government has to regulate a certain area of enterprise, but it is important that it doesn't necessarily follow that the government has to own that particular area of enterprise.

Privatization should be considered where a government department relies significantly on internal research to support policy development analysis. And specifically, consideration should be given to spinning off the research units, the results of that research enterprise, but that spin-off should take account of the fact that the government has an equity commitment to that particular research result and should therefore, on behalf of the people of Alberta, participate in the long-range returns that would be generated from the marketing of products arising from government-funded research. I should emphasize that we don't just privatize for the sake of privatizing but that in the case of CKUA, for example, there are sometimes good reasons why economics take a second place to cultural endeavour, to educational endeavour, and to the providing of a service that improves the quality of life for people in our society.

And finally, Mr. Speaker, we would want to underline that we never commercialize social services, that bottom-line economics do not have a place in the provision of social services, that profitability for social service enterprise and social service enterprise are two completely inconsistent concepts. We would like to caution this Legislature that recent moves to tender social services underline what can occur behind the scenes in this process of commercializing social services.

What will happen is that private, nonprofit groups, for example, that are prepared to tender for social services contracts will tender at a higher level of quality of service because they believe that that is the level at which those services must be delivered. In many cases those groups are right now delivering those services at that level with government funding. At the same time, the government is moving to have those services tendered and it is very likely that the private sector enterprisers, entrepreneurs, may well tender at a lower cost. What will be forgotten is the fact that no consideration has been given to cost versus level of service. And the government will be able to say publicly: "We've given this particular service to this particular private entrepreneur because, clearly, it can be done just as well for less money." But clearly, it won't be done just as well; it will only be done for less money. And the fact that this government has backed off on identifying guidelines for social services delivery makes us all that much more concerned that this will be an inevitable result.

The downgrading of quality of social services will be an inevitable result of this government's move to commercialize social services. There are many things that have to be considered during the privatization process. I want to emphasize one, and that is that the reaction of staff whose job security is threatened must be considered. And the role of unions in any privatization initiative must be considered as well.

Mr. Speaker, those are my comments in support of Motion 204. And the underlined consideration that we are making in raising this debate is simply to focus this government on the process of privatization so that, to the extent that it has to be done at all, it is done properly, and it is done not only as a sporadic, reactionary mechanism to accommodate an embarrass-

ing deficit and an embarrassing debt, which this government brought upon itself, but instead that it is viewed in the broader context of positive public policy-making.

Thank you very much, Mr. Speaker.

MR. DEPUTY SPEAKER: Hon. Member for Stony Plain.

MR. HERON: Thank you, Mr. Speaker. I rise to support a motion in favour of greater support of privatization of Crown corporations. In doing so, I point out the positive references made to privatization in the 1984 and 1985 throne speeches. Further, a number of comments by the Premier and the Treasurer in 1986 and 1987 have indicated this government's commitment to privatization where economically feasible.

The hon. Member for Edmonton Meadowlark certainly issues some challenges in that he wanted to bring focus to privatization, he was alarmed, and that he wanted some response to the government's acting "helter-skelter." He said that any discussion of privatization should be viewed in the broader context. He went on to accuse the government of losing perspective.

That said, Mr. Speaker, I find it strange and unusual that a member of the Liberal Party would show a commitment towards privatization. I point to their dismal track record on the federal scene for so many years.

He went on to prescribe, step by step, the steps for privatization. Certainly, you can't privatize and reduce deficit if you don't have anything to sell. It's a prerequisite that you get a company's finances, its balance sheet, in order before you sell it, and most certainly we never saw any evidence of the Liberal Party in Ottawa ever managing a company well enough to be in the position to sell it.

I would now like to draw attention not to the helter-skelter accusation we had a moment ago but to this government's track record with privatization by recalling to our minds this government's involvement with Pacific Western Airlines. Recall by way of analogy the little Alberta owl, PWA. More than a decade ago, with a damaged left wing -- of course, the right wing is always strong in Alberta -- this little Alberta owl called PWA was provided with the best of custodians, nurtured, and permitted to grow strong. When released to the private sector, it was not long in finding an equally strong mate.

This analogy or parallel describes exactly this Conservative government's involvement with PWA and its prudent management style and attitude towards privatization. As a ward of the Crown PWA was able to gradually expand its service to both western and the nation as a whole. In Bill 91, which resulted in PWA's privatization, the Minister of Transportation stated that PWA had successfully fulfilled their mutual objectives. This government saw in 1983 that PWA was in a strong position, capable of standing on its own in the private sector. The little Alberta owl was free, able to fly with the best of birds. In those quarters of this Assembly -- close your ears -- where profit is a dirty word, I add that PWA showed a substantial return to the provincial government.

Another example of this government's prudent action can be demonstrated, and it was brought up by the hon. Member for Edmonton Meadowlark: its involvement in Alberta Energy Company. AEC, after reaching many benchmarks of success, has been privatized to a considerable degree. The highly successful venture employing many Albertans is owned by over 35,000 Alberta shareholders. By 1984 the government's interest was reduced from 50 percent to below 40 percent, not a bad

track record for a government committed to long-term private-sector ownership.

I started off earlier showing some surprise that a member of the Liberal Party sponsoring Motion 204 and thereby drawing attention to this government's positive track record -- sure appears like a desperate party trying to gain a little ground to the right of the social democrats. I show no surprise at the Liberal jump to support privatization, given the very successful experience of the Progressive Conservative government in Alberta.

Or is the sudden Liberal endorsement of private ownership due to the recent survey by the Canada West Foundation which indicates by 60 percent that private ownership promotes better service? In fact, only 21 percent believed in government ownership, a poll no doubt influenced by the negative experience with Crown corporations inherited from your federal Liberal cousins.

The Liberal government, with over 15 years of just society, can point to Petro-Canada, Air Canada, Canadian National, Canadian Broadcasting Corporation, and many more sacred cash cows and retirement grounds, dumping grounds, whatever, for the Liberal cronies and ex-recruits. No wonder it's taking the Mulroney government some time to get a pragmatic privatization plan under way and trying to follow the very steps that the hon. Member for Edmonton Meadowlark outlined in that textbook chatter and definition of what it takes to privatize. The Prime Minister struggles with the debt load of the cash cows: the lack of Liberal commitment to privatization.

I am suspicious, Mr. Speaker, at the sudden change of attitude reflected in Motion 204. What example of privatization is the Liberal Party going to hold as their track record? All last week the leader of the Liberal Party called the hon. Member -- yours truly -- for Stony Plain the hairsplitter. In another staged drama scene, a waste of this Assembly's valuable time, the same member referred to the Tory backbench puffballs and the Tory pork-barrel machine. Oh, Mr. Speaker, it's my turn. In speaking to Motion 204 about privatization, which I support, I find it difficult to hear a member of the just society criticize this government's excellent track record and involvement in joint venturing with the private sector. This puffball backbencher is a hairsplitter if this label means a detail person who believes in prudent management and debt repayment on a handshake.

For an example of Liberal privatization perhaps we should look to the opposite extreme, the example of a local municipal but Liberal politician who said "choochoo" for locomotive and ended up as chairman of Canadian National. This example cannot be held out as a commitment towards privatization. No; the acquisition of pork-barreling coming from a cousin of the just society just falls on deaf Alberta ears.

AN HON. MEMBER: You don't need any lessons in pork-barreling.

MR. HERON: I may get around to there.

Canadian National, under a Conservative government, is now experiencing economic rationalization.

Let's return to Motion 204 or to the back seat of the buggy. [interjection] The hon. Member for Westlock-Sturgeon had better hang onto the reins tight, for it appears that the mover of Motion 204 is moving, hopefully to the right and not to the front of the buggy, for a grasp on the reins. Motion 204 is very similar to the motions put forth last week by the Liberal Party. Think for just a moment. All three motions put forth by the Liberal Party reinvent the Tory wheel:

Motion 202, a Liberal motion to endorse Senate reform policy, endorsed by this government on May 27, 1985; Motion 203, a Liberal motion to appoint a nine-member committee to study agriculture nearly eight months after this government appointed an eight-member committee to study the same problems in agriculture. [interjections] And, as I said a moment ago, if the democratic socialists want in the picture, what can they say about privatization or Motion 204?

Last week we listened to the hon. members for Edmonton Highlands and Edmonton Kingsway and their elementary textbook chatter about Friedman and Galbraith economics: borrow, borrow, borrow; just like Pavlov's well-conditioned dog who responded to the sound of a bell. Maybe that's why you like to keep the bells ringing so often in this Assembly. I recall the socialist chatter about borrow more, spend more, do not cut spending since the real rate of interest is low. Their solution: borrow and spend, and hold out Manitoba as an example of privatization. What a record. Albertans want no part of that excess debt. We witnessed what happened in Ottawa, where it takes one dollar in three of our tax dollars to service debt.

Look at Motion 204 in the context of Manitoba's mismanagement of Crown corporations who, with a million people, are now approaching \$8 billion in debt. Thank goodness this government has demonstrated stewardship of the Crown corporation and is able to point to a pretty dam good privatization track record.

I think that since it is St. Patrick's Day and we talk about changing colours to green today, I think of the little lizard, the chameleon, that's able to change its colours. Oh, I have no problem at all with the reptile form of the chameleon, but when it gets to the political, I guess I still don't have much trouble when they change their colour from pink to red and red to pink. And of course we see that here in the voting patterns, the stand-up voting. But clearly, Mr. Speaker, since it is St. Patrick's Day, I want to make sure that we do permit a bit of turning to the green, but do not, my Liberal friends, try and turn Tory blue with your three motions that you've just put forth.

As I did mention, Mr. Speaker, it is St. Patrick's Day, and just so no one accuses anyone on this side of the House of having kissed the Blarney stone, I'm going to thank you for the opportunity of speaking to Motion 204 and resume my seat.

Thank you.

MR. DEPUTY SPEAKER: The hon. Member for Calgary Forest Lawn.

MR. PASHAK: Yes, Mr. Speaker. I'd like to rise in strong opposition to the motion as presented by the Member for Edmonton Meadowlark. I think that motion is ill-conceived; it's ill thought through. Its real consequences have not been considered. It's a blueprint for bringing even further economic disaster to the people of Alberta.

I think also, to pick up the theme by the Member for Stony Plain, I think it begins to reveal the true political colours of the Member for Edmonton Meadowlark, and it's not Irish green. It's more like Tory blue. I think it puts the Member for Edmonton Meadowlark in the same ideological camp as Barbara McDougall or even as Sinclair Stevens.

I would just like to ask the Member for Edmonton Meadowlark to consider just which current Alberta Crown corporations or quasi-Crown corporations would be on his hit list should the Liberals ever form a government in this province -- heaven forbid. Alberta Government Telephones in its entirety,

the Alberta government Liquor Control Board, the Alberta Mortgage and Housing Corporation, the Alberta Opportunity Company, the Alberta Agricultural Development Corporation, the Alberta Municipal Financing Corporation, the Treasury Branches, shares in the Alberta Energy Company -- just where would he begin and leave off in terms of privatizing these corporations? Would the Member for Edmonton Meadowlark be prepared to contest the next election on such a platform? I think he would be soundly renounced by the people of Alberta. They take great pride in many of these corporations that have been established and have significance. They protect people of the province of Alberta against many forces that otherwise would be outside their control. In fact, I think we should go even further in this province. We should add to the list of Alberta Crown corporations. I think that all essential public services should be provided by Crown corporations, and in that I would include all the major power utilities and gas companies that are operating in the province of Alberta.

I think you can see very clearly that Petro-Canada is the only corporation now operating in the oil sector that provides any real benefit to taxpayers in the province of Alberta. Where the major ... [interjections] Now listen. If you look, as I have, at the downstream profit pictures for all of the major corporations in Canada, you'll find that Texaco, Shell, and Imperial Oil all made record profits. Their profits have been higher last year than they've been since 1981, with very little benefit coming back, because prices at the production end have been so low, as everyone in this House knows. Revenues to the Treasury have fallen off, and of the \$1.5 billion that was spent by this province by throwing it at the oil patch last year -- in fact, it's probably more than that when you take into account the some \$600 million that goes into the Alberta royalty tax program -- there wasn't a single permanent, full-time job created in the oil patch last year for all of that generosity on the part of the taxpayers here in the province of Alberta. Nevertheless, Petro-Canada managed to make a profit of \$124 million a year last year, so somebody at the federal level was at least a little bit smart.

What it does point out is the need for there to be an Alberta Crown corporation that's really active in the oil and gas sector of our provincial economy.

AN HON. MEMBER: Nationalize everybody,

MR. PASHAK: What it comes to ... I didn't call for the nationalization of everybody and everything. I said where there's an essential public service provided and if the private sector isn't doing a responsible job, then there is very definitely a role for government to play and to establish Crown corporations. And I can think of no better example of the need for this when we look at the way natural gas is provided to residential consumers in the province of Alberta.

I was the only politician of any political party that attended the hearings at the Energy Resources Conservation Board in January that looked at the surplus tests for the province of Alberta. And I was the only person there to make a submission and intervene on behalf of consumers of this province with respect both to security of supply for Alberta residents and security of price for Alberta residents. True, the gas company was there. They had their lawyer -- there was a lawyer for the Canadian Western Natural Gas Company who also represented indirectly Northwestern Utilities and Canadian Utilities -- and he made a very vigorous case for the protection of what he called "core consumers" in the province of Alberta. He argued

that in fact there should be some kind of security of supply for these consumers. And by core customers he meant those people that aren't able to switch readily to other kinds of alternate fuels. So that does not necessarily include industrial users but it certainly includes residential users. But I was the only person there to argue that there is also a requirement that Alberta consumers, in this very deregulated environment that you people have created, should be able to bring a savings to Alberta consumers. The city of Calgary, the city of Edmonton, the representative from the natural gas company, none of these argued that any of that benefit should be passed onto Alberta consumers.

So what I'm trying to say is: without a truly Alberta energy company, an Alberta energy corporation, there is no way that the consumers of this province and in fact the people of this province can be adequately protected in these times of falling energy prices.

So I would truly hope that the Member for Edmonton Meadowlark then will come to his ideological senses and admit that he made an error in presenting this motion and leave motions like this to the typically blue Tory Conservative parties in this country.

MR. PAYNE: Mr. Speaker, I truly wasn't intending to participate in the discussion of the motion at hand today. As a matter of fact, I was just handed the file and haven't had a chance to even read the file. And in view of the fact that I have a government obligation that'll take me away from the House later in the afternoon, I have asked the indulgence of my colleague the Member for Drumheller if I could insert myself in the speaking order ahead of him.

I guess it's fair to say that most of the members, at least on the government side, Mr. Speaker, are somewhat amused at the comparison just drawn by the Member for Calgary Forest Lawn. On the one hand -- and I'm sure this will be of consummate interest to the oil patch constituents that I have -- he derides and berates this government for its \$1.5 billion attempt to assist the industry at a time when it sorely needed that help, and then on the other hand he turns and praises the very questionable balance sheet of Petro-Canada. That's a comparison I intend to repeat in several quarters in Calgary.

Mr. Speaker, could I ask the hon. Member for Calgary Forest Lawn this perhaps rhetorical question. As he read with such admiration Petro-Canada's balance sheet, did he take into consideration the billions of dollars of Canadian taxpayers' money that flowed across our oceans to offshore interests to buy up those oil and gas assets they now proudly proclaim as their own? Did he ask himself that question as he reviewed Petro-Canada's balance sheet?

MR. PASHAK: Just to inform the hon. Member for Calgary Fish Creek, I did take that into account, and when I look at the assets that Petro-Canada has acquired and the profit they're making on those investments, I can see that they made an excellent ...

MR. DEPUTY SPEAKER: Order. Order please. The hon. Member for Calgary Fish Creek.

MR. PAYNE: Mr. Speaker, I'm sure that you and my hon. colleague from Forest Lawn are aware that was not a point of order. It was yet another debating point, and if that's going to be the tradition of the House, so be it.

Having said that, Mr. Speaker -- and I appreciate that may

have sounded somewhat critical of the Member for Calgary Forest Lawn -- in the interest of a fair and balanced representation on behalf of the constituents of Fish Creek today, could I perhaps turn to the sponsoring member today, the Member for Edmonton Meadowlark, and add my compliments to those that have already been paid to this very interesting and utterly praiseworthy ideological change of direction? I share his interest and that of the Member for Stony Plain in the matter of privatization. I know that I speak for a great many constituents when I say that we question, are indeed very skeptical, of the claim by any that a Crown corporation can do the job better than the private sector. There may be the rare instances where that is the case, but as a general principle. I firmly believe that the private sector is the place to get the job done.

I welcome the sponsoring member to this ideological position and look forward to remarks of others in the House this day as we support this fairly well put resolution.

MR. DEPUTY SPEAKER: The hon. Member for Drumheller.

MR. SCHUMACHER: Thank you, Mr. Speaker. In rising to participate on this motion. I would like to also compliment the hon. Member for Edmonton Meadowlark on something that doesn't seem to come naturally from the Liberal parties of this country. I guess it is springtime, and hope will continue to spring in that area. But of course, like most Liberal proposals it tends to be a little bit weaselly and under the same philosophy as Mackenzie King used with regard to conscription: "Not necessarily conscription, but conscription if necessary." Because in part 2 of the motion, he only wants to privatize to a certain limited extent, whatever that might be. So I guess while the main aim of the resolution is towards privatization, maybe when you read the fine print, you might not get exactly what is being sold. But that, I guess, is nothing new for the Liberal Party.

I for one would like to agree with the hon. Member for Stony Plain and say that really the only political party in this country that has shown any real commitment to privatization by actual results has been the Progressive Conservative Party, and I suppose the Progressive Conservative Party of Alberta is the leader in that area when you consider what has been accomplished over the last number of years in the area of privatization in the Alberta Energy Company and Pacific Western Airlines. So I don't think that this government needs too much encouragement to follow along this area, and I guess the biggest remaining Crown corporation that we have that's truly active in the private sector is Alberta Government Telephones, which the hon. Member for Edmonton Meadowlark has referred to, at least with regard to a subsidiary of Alberta Government Telephones. I didn't hear him say that he felt that the entire corporation should be considered for privatization. I would have thought that if he was a great fan of privatization, he might have gone and taken that extra step to say, "Well, instead of just Altel Data, we might consider the whole thing."

This government has in fact, I guess, maybe returned to its roots somewhat because in 1967 it was a plank of the Progressive Conservative Party of Alberta that, if elected, they would privatize Alberta Government Telephones. Well, we are now 20 years later, and we haven't done that. In the interim the people gave us the message that they weren't too excited about Alberta Government Telephones being privatized, but like everything else in this country, the old pendulum system seems to be operative, and I, Mr. Speaker, do believe that there is a greater and greater feeling in favour of privatization. And certainly the re-

sults at the federal level would seem to be indicating desire and recognition that in fact it does work, because we heard NDP screaming blue murder about the sale of de Havilland in Toronto to Boeing. That was just going to be the worst possible thing that could happen in this country. I don't hear them saying much about it now.

We hear the hon. Member for Calgary Forest Lawn referring to a ridiculous balance sheet that couldn't in any way be honest in regard to PetroCan when you consider the billions of dollars that have just been given and lavished on that corporation. I don't understand how it could be so small as to be only \$120 million when you consider really the king's ransom that has been lavished on that organization. And what for? He says that the performance has been great; they've had this profit. He says that this is a wonderful thing; they've had \$124 million profit. But he says it's horrible that Texaco or Esso or Shell should happen to have a profit. I mean, what's so wrong about that?

And what is PetroCan doing? The latest I've read in the papers is that they're busy off the coast of Africa or something drilling for oil or exploring for oil, or they're off in Atlantic Canada trying to find oil there. To me, the western sedimentary basin offers the best opportunity for obtaining a reasonably priced supply of oil for our country. Now this is supposed to be a national oil company interested in the benefit of our country, yet it doesn't seem to be in the forefront of the explorers and the developers and the creators of jobs in Alberta, which is the centre of the western sedimentary basin. So what is Petro-Canada doing that's so great for Canada or Alberta? I'd like somebody from the NDP to answer that before this discussion is over. You've had your turn, unfortunately. It's too bad you didn't pursue that during your remarks, hon. member, but maybe you can produce somebody else who will be able to give us that information, because it certainly isn't clear to me.

And in addition to that, he feels that there should be further -- he's used this argument again that we need a window. Well, for goodness' sake, with Petro-Canada we've had a window on the petroleum industry for the last 10 years, and what has it done? Could someone answer that before we finish our discussion this afternoon? But he wants another, bigger window. He wants to have all of the utilities. I can't see for the life of me where our citizens are paying more for utilities in this province than they are in Manitoba or Saskatchewan or British Columbia, where they have Crown organizations doing that, which don't pay taxes or add to the revenue of the government to provide other services. He talks about natural gas delivery in this province. We have the largest system of co-operatives, I would say, delivering gas over the largest areas in the country, and I don't know why he would want to nationalize those natural gas co-ops that seem to be doing a pretty good job of serving the rural areas of our province.

I've mentioned AGT. The Member for Calgary Forest Lawn also listed a whole bunch of other Crown corporations like the Alberta Liquor Control Board, the Alberta Opportunity Company, the Alberta Agricultural Development Corporation. To me, those are not, while they may be classified as Crown corporations, in the area that we should be talking about this afternoon. Those really are vehicles for government policy -- in the case of AADC and Alberta Opportunity Company, lenders of last resort. The Alberta Municipal Financing Corporation, which is really a function of financing our municipalities . . . They don't have anything to do with the ordinary citizen of this country. I suppose Treasury Branches are certainly one that could be looked at with a view to privatizing at some time in the

future.

[Mr. Musgreave in the Chair]

But the question, I think, always remains, Mr. Speaker, and I think we probably would all agree that if there is a problem in our society that is not being met by the private sector, well then, I guess we would all agree in this Chamber that government would have to foster or sponsor some type of organization to meet that problem. But when the job can be done by the private area, I think it just seems to be so clear from the way we've operated and what's happening in the United Kingdom and the United States and other areas of the world that the private sector can deliver the goods at a lower cost and better service than the government can. I just feel that it's wrong for us to forget about the benefits of privatization, and that's why I do congratulate the member for bringing it before us.

There is work to be done. I notice that our government has employed a firm to study the restructuring and possible, I suppose, privatization of Alberta Government Telephones. I think that is a good thing, and I hope that the report will come in to indicate that such a step will be possible for this government to undertake, because government ownership certainly doesn't protect the individual. Even Alberta Government Telephones over the years, it has raised its rates and is generally looking for rate increases. It has to go before the Public Utilities Board just as TransAlta or Alberta Power has to, and so there's nothing magic about a government organization having a nonprofit outlook. In those circumstances, when it's clear that in most areas the private sector can do it more efficiently with a better feeling for everyone, I think we should carry on the tradition and the leadership that we've displayed in this country by looking for opportunities at every stage in order to promote the process of privatization.

MR. ACTING DEPUTY SPEAKER: I'm sorry; I can't see who was standing. [laughter]

MS BARRETT: [Inaudible] when the Premier does that and when members sitting opposite me do, but when the Speaker [inaudible].

MR. ACTING DEPUTY SPEAKER: The hon. member will be happy to know that I went last week to get some new glasses, but they haven't arrived yet. The Member for Edmonton Highlands.

MS BARRETT: Mr. Speaker, I'd just like to give a little anecdote. Last week I had occasion to meet with two cabinet ministers just the day we were going to begin session. At the conclusion of the meeting, one of them said to me, "Well, Pam, I guess we'll be seeing more of you." And I said, "No, I don't plan to grow." And I meant to not gain weight, either.

Mr. Speaker, it's very interesting to have listened to the bulk of this debate in which I find a not surprising alliance between the Conservative members who have gotten to their feet and the Liberal member who has sponsored this particular motion. I would like to point out that I think that, in the first place, it's technically fairly deficient inasmuch as I think the author doesn't realize that in a mixed economy and in a capitalist economy, virtually any service can be provided by the private sector -- any service, entirely. The fact of the matter is that the reason the public sector and Crown corporations have come to constitute a

certain percentage of our business activities, whether you call them GNP or otherwise, is because they represent a particular mandate that is a usually government determined mandate, according to the will of the people as expressed through their representatives.

Now the member who was last speaking, the Member for Drumheller, was talking about AGT as an example of how it is that they're really not very much different from private-sector operators for the transportation of a natural utility. Well, let me point out first of all that the Public Utilities Board has established a formula by which it determines the rate of return going to every utility that comes under its jurisdiction. For example, the private utility, Northwestern Utilities, which delivers natural gas to Edmontonians, has a formula which not just ensures that it's compensated for its outlay for capital stock but also ensures an additional formula for a rate of profit. Now, let's face it; there's an ideological question here. Are natural utilities subject to a different mandate than other forms of businesses? I declare they are, in the best interests of the people, but if the Public Utilities Board, for example, hasn't got a strict mandate to ensure that the consumers themselves are getting the best benefit out of the natural utility, whether privately or publicly operated, then the system itself is deficient. I think that this is the sort of thing that needs to be seriously addressed, rather than this kind of ideological ping-pong game about whether or not PetroCan or AGT serves in the best public interest.

I declare with a fair amount of certainty that no economist or group of economists can predict in the long term what's going to happen to the structural makeup of our economy, because so much of that is determined by legislators. What's adamantly clear to me though is that we have a public will that we're supposed to represent. I heard the hon. Member for Edmonton Meadowlark say: you know, let me put a caveat on this; let's not privatize social services. Well, that's not what's in this motion, Mr. Speaker. The fact of the matter is that there are a lot of people who'd be willing to drink out of the public trough in the name of delivering services to the public, in the best interests of the public, as long as they can make profits. That sort of principle can be extended all the way down the line and all the way up the line. The difficulty that we face is determining at what level not participating through Crown corporations, through public involvement in that mixed economy setting, is more detrimental than if we do.

Everybody I know happens to like to bash the post office. I, for example, lived in the United Kingdom, where the post office actually makes money, but I'd like to point out why it makes money as opposed to our post office, which doesn't. They cover a territory less than the size of Alberta and serve a population two and a half times the size of Canada. So, first of all, transportation becomes a pretty important factor. But, secondly, in the British system the post offices are allowed to offer a lot of counter services; for example, banking, Giro check services, and all those sorts of related things that go along with part of their communications mandate as opposed to strictly delivering of physical properties. They're involved with electronic mail. They do an awful lot of other services that aren't strictly mail delivery. As a result, they pay for the cost of delivering mail. Now, it seems to me that that's a very sensible alternative to having a chronically deficit-ridden postal service, because no one can make money on the geography of Canada with its low population. That's just a fact of life in this country. So when we talk about taking away the public institution's right to deal in competitive work, we might also inadvertently be talking about

that institution's ability to serve in its primary capacity.

I find it difficult to believe, in the retail sales world, that AGT's share of the computer market is so profound, so vast, that it's squeezing out other people. I can't believe that that's true. On the other hand, AGT has a mandate to be involved with technical development -- in other words, high-tech development -- in the communications industry and part of that industry is related to the information conveyance industry, which is what computers do. I'm not so sure that taking away their ability to retail what they in part help to develop is appropriate under the circumstances.

I think the question has to be: how far down the line do we go in dismantling public services in the name of ideology? I suspect that this government is about to embark on a very serious course of action which will play directly into that ideology. I suspect that this government is about to take that famous little chisel and that famous little hammer and put it to a lot of social institutions which, although subject to a fair amount of scrutiny, political and public, and a certain amount of criticism, by and large serve the best interests of Albertans.

Medicare, for example, wasn't invented by Conservatives. I know because I'm a member of the political party that first began to advocate medicare. Similarly, other social services delivered from that common pool, that public pool of money that is collected by way of taxation considered government revenue, used to be used under the proper stewardship of a responsible government. [interjection]

Oh, free enterprise has its role too. I certainly will admit that. I'm responding to a backbencher who I can't particularly identify at the moment. There is a place for public control over public destiny. That is the reason we pay taxes. Before I learned to drive a car, before I had a car, I didn't object to my taxes being used to build roads for other people, because even if I wasn't taking a bus, I was walking on them and I knew that eventually I would be using those roads. I mean, we make certain priorities in terms of the public intervention in an overall economy. I think that those priorities have, by and large, been reasonably well established. That's not to say that there isn't room for the private sector. I think there is, but not at the expense of those public priorities. So theoretically what this motion could be calling for is the complete privatization of virtually any public service or any service that is offered by Crown corporations.

Usually, Crown corporations historically have been established to compensate for areas in an economy where the private sector has shown no will to lead or to participate. But aside from Crown corporations, we have governments themselves, which are in the business of delivering public services for the people who pay those taxes into the pool of funds and say, "This is what we want; these are our priorities." That I think is the way that we have to look at this motion: how far down the line are we prepared to go? Do we want to privatize hospitals? I don't think so. I don't think the public wants that. Would we like to privatize, for example, the parts of the Social Services department that haven't already been privatized? Well, you have to ask yourself: why would you want to spend more money to provide the profit factor for people when you can do it cheaper out of money that is involuntarily and voluntarily consigned to that pool of funds in order to satisfy the public priorities? Isn't it our responsibility to deliver those services at the best possible rates and not have to pad in the average 10 to 12 percent rate of profit upon which most medium corporations make their annual projections and which they try to achieve so

that they can send out their dividends on that basis? That doesn't make any sense to me.

There is no such thing as a public institution which is not either in fact or potentially in competition with the private sector. The fact of the matter is that if you'll pay them enough, they'll do anything. They will. How much are you willing to pay? Are we willing to pay \$3 billion a year for our medical care service so that we can have private entrepreneurs operating and delivering it? Does that make any sense? It doesn't make any sense to me, Mr. Speaker. It doesn't make any sense to me to tell the people who are collecting social allowance that they have to live on \$5.11 a day -- that's if they're on long-term allowance -- while I'd be prepared to hand out, say, 10 or 15 percent commission to the deliverer of the cheque or the deliverer of the system that provides the cheque. I mean, that doesn't make any sense; that's not a public priority. The fact is that there's no such thing, technically speaking, as a public service that isn't in direct or potential conflict with the private sector.

We have to do these things on a matter of priorities expressed by the public will and expressed in this building. And I do mean priorities; I don't mean ideologies. I think that there are occasionally instances in which a good case can be made for doing something that constitutes a departure from prior policy. I don't see it in this motion though. I think it's technically deficient and should be rewritten so that the specifics of those caveats that were enunciated by the member sponsoring it would be included in the motion and, secondly, with a direction as to whether or not utilities need to be involved in this, whether or not we consider our natural resources part of utilities, at what point we agree to slow down the valves on some of those utilities if we're not fetching prices that compensate for the real value of the commodity. Those questions have all been left to the imagination of 83 members of the Assembly, and as a result I think the motion itself shouldn't pass.

MR. ACTING DEPUTY SPEAKER: The Member for Lethbridge West.

MR. GOGO: Thank you very much, Mr. Speaker. I am pleased to have the opportunity to make some comments relative to Motion 204. I've been around long enough to observe we're all in favour of progress around here as long as we can do it without change, and the more I see what goes on, the more I'm inclined to believe that as a group we're not all that keen on seeing change. I have great admiration for the Member for Edmonton Meadowlark in sponsoring this motion, which I believe, contrary to comments I've just heard, is entirely in order. I am somewhat surprised and a little puzzled why, if it represents a position of a political party within this House, the hon. member's colleagues have been reluctant to participate in the debate. However, perhaps I'm just being presumptuous, and they may indeed be in this debate before it's over.

Mr. Speaker, I think it's an excellent motion, and I think it bears a lot of merit. I think as well that one is given reason to reflect here in Alberta about the various Crown corporations we have, whether they're good or whether they're bad, or should they be privatized or should they be left alone. Very clearly, in my mind I have to relate back to what I believe to be the role of government. Surely, first of all, the role of government is to help those who are not able to help themselves. That would look after the social area. I would be the last one ever to say that we should adopt a medical care system to emulate the United States of America, where some 22 percent of its total

cost is absorbed by administrative costs and profits, compared to 6 percent in Canada. Let's be very clear on that point. I learned an old saying from somebody back here somewhere, "If it ain't broke, don't fix it." I think we have an excellent system now. For those who are so critical of the health care system, I would suggest they look abroad at other parts of the world and they would count their lucky stars for a country such as the size of Canada, which is huge, as one of the finest systems in the world, notwithstanding the fact we're going to have to find the money to pay for it.

Secondly, I believe, Mr. Speaker, the role of government is ideally to set an economic climate whereby those people with money are prepared to invest that money to create more jobs. I listened the other day on the radio to a proponent of a certain political party, who is represented in this House but shall remain unidentified, who was saying how crazy Canadians are, and Albertans in particular, to put their money in the bank, as though there's something wrong with saving, and then turned around and criticized them for not owning a part of Canada. Well, I don't know where this person came from, because if banks, as I understand banks, don't have depositors they certainly don't have the ability to lend. Yet for some reason this person thought that the road to happiness was not either to save money or accumulate money or deposit money.

The reason I say that, Mr. Speaker, is that I'm leading up to what I perceive to be other parts of Canada, in their salvation of the economy of Canada, creating through DRIE and now its subsequent federal program those corporations with public funds to create jobs with no economic basis, no incentive for anybody to invest in it, but have a magical time period, particularly in the province of Quebec, which seems to be in the news the last few days, to create for 60 months or 30 months or 20 months at \$1 million, \$2 million, or \$3 million per job employment with a sunset clause that those corporations will the at a given time. That to me is total abuse of creating what in effect to many people's minds is a Crown corporation. Here in Alberta we have, I suppose, some 50 or 60, the most notable being Alberta Government Telephones, which has been spoken to at length. If there's a person in this House with the courage to sell Alberta Government Telephones and face the voter, I'd like them to stand up. There are many people who espouse that but there's nobody in this House whose espoused it. Many people, I have found from experience, to their chagrin, have tried to destroy what I think is one of the finest telecommunication companies in the country through advocating they sell it, with what I believe to have little understanding of its history. It's been around a long, long time.

In addition, we have the Alberta Research Council, which is a Crown corporation. It surely has a very proud record of some 60 years, Mr. Speaker. And look what's it's accomplished. For those who think that should be privatized, I would ask them to show me a competitor who is waiting in the wings to duplicate its role. There is none around.

And then we come to the favourite chestnut of all, ALCB, the Alberta Liquor Control Board, which provides this government with -- which at one time was virtually no revenue -- \$300 million, which is very significant. There are those who say, "Hey, let's privatize that system," without considering for one moment something other than the revenue side. And that is the problem side that we as a government would have to pick up, because I'm strongly of the view that if I owned a liquor store -- and I hope it never comes to that -- I can guarantee you my employees would all be on commission, they certainly wouldn't be

on hourly wages, because the primary purpose of business, in my view, is to earn profits and thereby create new jobs. So, for heaven's sake, let's put this thing to bed about privatizing the liquor system in this province. I don't say that with any particular person in mind in the House. But I think we have been well served over the years; it's produced a tremendous amount of revenue. When one looks at the state of Arizona, with 3 million people selling 57 million gallons a year of booze and netting \$18 million, then I think we've got a pretty good investment in that Crown corporation that produces for the citizens of Alberta some \$300 million. As I say, if you've got a winner, don't kill it; stick with it.

I was amused at the comments earlier on Pacific Western Airlines, and I am pleased to see the Minister of Hospitals and Medical Care, who at that time was the Minister of Transportation, move that Bill in the House which was to divest the Alberta government's interest in Pacific Western Airlines. I'd make the observation that -- I don't want to be unkind, but frankly I found that when the government of Alberta owned it, it was running on time. I have noticed that the last couple of years Pacific Western has had difficulty keeping its schedule, but then I understand it's because it has been so aggressive in its expansion and acquisition it really can't service everything the way it once did.

Comments were made, Mr. Speaker, a few moments ago which tie into the motion, and that was Canada Post. Not many people seem to consider the role of Canada Post with regard to the fact that we're adjacent to a country 10 times our population. Outside the golden triangle alone the amount of mail that flows into this country at no money to Canada, and yet the cost for delivering all of that mail lies on Canada -- no one ever seems to consider that there is a tremendous obligation. I think Canada Post, frankly, is doing a remarkable job, and I believe as a Crown corporation it's serving a very specific purpose.

[Mr. Bradley in the Chair]

I guess what I'm leading up to is that it has long been my view that competition seems to bring out the best in products and the worst in people. Although competition is keen and important in this era to see that we make profits and create more jobs -- I think the record shows that very clearly -- we've got to be extremely careful as to what should be privatized and what should remain a Crown corporation.

I recall at AADAC very clearly -- something I know a little bit about -- that within its 400 members we had alcohol trained counsellors, whose sole purpose in life, according to their job description, was to treat people who had alcohol problems, cooking meals within the institutions. Surely that was a wrong thing for those people to do. So what did we do? We were able to privatize that to people who are experts in the catering business, thereby benefiting not only AADAC, not only government, but the taxpayer, because we provided a service cheaper through the private sector than we could in an in-house facility. I think that's not only common sense, but it was the wisest thing to do and good use of public funds.

Mr. Speaker, I have no quarrel as to who works in the liquor stores and sells the booze, as long as it remains a Crown corporation and we make the rules. I guess what I'm getting at is that there is a very plain role for government and Crown corporations and there is a very plain role and clear role for privatization. In my constituency of Lethbridge West, security around the provincial building: is there any need for government to do

that? For the cleaning of the provincial building: is there any need for a government employee to do that? They've been privatized. Or look at the keeping of grounds around these buildings: is there any need for government to do that? I would think that if there were any benefit at all to the recent recession or the current recession, it's caused all of us, both individually and collectively and certainly the government, to re-examine priorities in terms of the utilization of people. And we have found, and it's certainly my experience, that where there's an opportunity for the private sector to carry out a role that was formerly or is currently done by government and they can do it cheaper, why shouldn't they do it?

So, Mr. Speaker, I don't quarrel at all with the hon. member's motion. I'm reaching the point where personally I happen to think gasoline is every bit as important or essential as electricity. If you live north of the 49th parallel, there's no question that if you don't have heat or natural gas, you're going to perish. And I keep asking myself, with regard to the gasoline market: if it's such an essential commodity, why is it continued to be allowed to operate in the private sector? So I have twinges of conscience too, hon. Member for Edmonton Highlands. I'm not so sure that we shouldn't be putting that under the PUB. There could be a role for that.

I simply want to conclude, Mr. Speaker, with -- and I don't often have the opportunity of commending the hon. Member for Edmonton Meadowlark. He's brought forward an excellent motion. It's in the proper language to encourage debate from both sides of the House in terms of privatization and the Crown corporations. So with that I look forward with great interest to the comments of my colleagues.

MR. McEACHERN: Mr. Speaker, I rise to speak on this motion, which certainly has engendered some interesting debate, but I do not find that I agree with the basic premises. It says here that

new Crown corporations should be created only to provide services that the private sector will not or cannot provide.

My colleague from Edmonton Highlands pointed out that the private sector could provide almost any service. I suppose we could hire some people to run the government and then we could all go home. Right? What are we doing here? Just hire somebody else to do it and pay them.

It says that

existing Crown corporations that provide services in direct or indirect competition with the private sector should, to the extent of those services, be privatized.

I suppose there he's getting at what he seems to consider secondary services provided by AGT. Well, if AGT is expected to provide a first-class service to rural Alberta, is there any reason they shouldn't also get into the more lucrative business of some of the high-tech stuff and make a little money to help cover those costs?

MR. MITCHELL: Maybe it should sell pizzas too.

MR. McEACHERN: No, I didn't say it should sell pizzas. Of course, there is the whole range of things that should be run by government and things that shouldn't be, and that's always a debate that we're locked in. But there has to be, of course, a border somewhere, and we'll debate for a long time which things should be and which things shouldn't be privatized and which should be run by government. And certainly, because I

suggest that AGT should be allowed to continue its exploration in high tech and its competing with computer companies -- you know, to help pay for the fact that it provides a service for all of Alberta in terms of good telephone services -- doesn't mean that I therefore think we should privatize pizzas. Nobody said that.

But there are a number of services, and I think the service that AGT provides is one of them, that are natural monopolies. Utilities: certainly, nobody in the private sector wants to really take on providing water and sewage for the city of Edmonton. Nobody argues that we shouldn't have a light system that's owned publicly, either by the city or by the province. Yet in this country we tend to allow some of these things like gas utilities to be run privately when, in fact, they are natural monopolies and would be better run by the government as a service to people, like bus systems. How do you get some private company to run the bus system, except in the downtown core where they could make lots of money? When it gets to the marginal services, they don't want to run it. The same problem with the post office. Sure, you've got lots of companies -- Pink Lady kinds of companies -- willing to take over courier services, but who wants to provide postal service to the outback? So of course it's unfair to expect the postal system to take all the losers, give all the winners to private enterprise, and then wonder why the Crown corporation is left struggling along with a deficit.

One of the things that we keep hearing from Conservatives -- and I put this motion as a Conservative motion, the way it's worded -- is that government shouldn't interfere; government should let private enterprise do it, in lots of ways. Oh, he admitted that social services -- and I heard somebody else say health care -- should not be, but the thing is that we've got to a point in our society where we have such a mixed economy between government and the private sector that it isn't a question of whether the government will interfere or not any more. They do interfere. We have an existing sort of arrangement and if you keep that arrangement the way it is or change that arrangement in any way, either toward privatization or toward more public control, then you are interfering, and all three of those positions, I submit, are interferences in the economy.

So the question is no longer whether we interfere in the economy. The question is: on whose behalf do we interfere in the economy? And that's the only question that should be asked. Do we interfere in the economy to provide cheap gas at the pumps, as my colleague from Lethbridge West suggested one might consider doing? Do we interfere in the economy to provide education for our youth? And obviously we do. So it isn't whether you interfere; we do interfere. The question is: on whose behalf and why, and then how are we going to administer it? And this government, in many cases having interfered, then has loused it up in a number of circumstances. But that would be getting into a lot of detail that I don't intend to at this time.

I can't resist just mentioning PWA. It was bought by this government, by the government of Alberta, to stop the B.C. government from buying it -- for no other reason. So it wasn't any great, brilliant idea to rescue a company that would provide a service for Alberta. In fact, they were so interested in the bottom line that one year, and I can't remember which year it was, they sold one of their airplanes so that their books would show that they were in the black -- because they wouldn't want to be seen as bad money managers; they'd have been in the hole; they'd have been in the red if they hadn't sold this airplane -- then turned around and rented it back. So that's great entrepreneurship on the part of this government.

I want to make it clear that although we back up the idea of having Crown corporations to do many things, none of us are so naive as to think that if you replace Imperial Oil with PetroCan you necessarily make very many gains. Okay? Setting up a Crown corporation instead of letting a private company do something does not necessarily change anything just in and of itself. You have to change the rules by which you play the game and what it is you intend to do with that Crown corporation, but at least you can do that. And at least my money made compared to a foreign company, like the one I just mentioned, may have one built-in advantage: at least the profits, if there are any, stay home. So there is one advantage. Okay? But just changing -- say if we took over Imperial Oil and set it up as a Crown corporation, you would not necessarily deal with problems of where and when they invest. If you leave the Crown corporation to run it in the usual manner, they will make the same decisions, they will pull out when the going is tough, they will import oil from Saudi Arabia instead of keeping the exploration industry alive in Alberta, they will not hire natives when they are in the north unless they are told they have to, and they will not protect the environment. Those things do not necessarily and automatically change just because you set up a Crown corporation in place of a private company. But at least you have the chance, or a better chance in many cases, of doing those kinds of things.

[Mr. Gogo in the Chair]

It seems to me that what we need in Alberta is more of a pragmatic approach as to where this line should be, what should be privatized and what should be public ownership, and we should in many cases not so much look at it ideologically but rather in this particular circumstance at this particular time, would this service be better provided by a Crown corporation or by privatization? That should be the main test, a sort of practical approach to it. But just in terms of privatization and because there is some talk here of moving it into the social services area or health care areas, or even looking after the grounds or having security in this building, those kinds of things that were mentioned, it seems to me that one must say there is a great danger, particularly in the divesting process that the government seems to be thinking of and that we hear little rumblings about all the time, that they may very well replace perfectly good employees, hired at reasonable rates, doing a reasonable job, and enjoying certain reasonable benefits that any long-term employee should enjoy, and privatize the service; in other words, allowing some entrepreneur -- it could certainly happen -- some Tory entrepreneur who acts as a hiring agent to contract for those same jobs and end up hiring those same people at a lower and miserly wage with no benefits, with no security of tenure. And that would not be a service to this nation. That would not necessarily be cheaper in the long run.

The number of difficulties and problems that we get into in a society where you lay off more and more people, where you cut back and try to do things on the cheap, ends up being a society where people have a lot of difficulty. We cut back our educational institutions and at the same time lay off some people; they can't find jobs. We get into a whole raft of problems with people going on unemployment insurance first, then on social assistance, having difficulty with the bureaucracy: people getting in trouble at many levels.

DR. REID: Mr. Speaker, point of order. The hon. member is

discussing items that seem to have little to do with Crown corporations, which is the subject of the motion.

MS BARRETT: Well, on the point of order, Mr. Speaker. It seems to me that the member was discussing the implications of privatizing Crown corporations and is in order.

DR. REID: I think the hon. member was discussing privatizing government services that are currently run by the government directly rather than those that are run by Crown corporations, Mr. Speaker.

MR. McEACHERN: Mr. Speaker, I think we're getting into nit-picking, but since I'm finished my comments anyway, I'm happy to stop at this point.

MR. DEPUTY SPEAKER: Hon. Member for Olds-Didsbury.

MR. BRASSARD: I wasn't going to speak to this motion, Mr. Speaker.

MR. McEACHERN: We smoked him out.

MR. BRASSARD: But you smoked me out. I'd like to relate an issue that was raised by the hon. Member for Stony Plain, and it's regarding PWA, Pacific Western Airlines. In 1974, in a sudden and controversial move, the Alberta government acquired Pacific Western Airlines. No provincial government had owned a major airline with interprovincial routes at that time. The PWA acquisition evoked controversy about provincial governments' role in the economy. Pacific Western Airlines had commenced operations in 1945 as a central British Columbia airline, and it soon became western Canada's dominant regional airline. PWA diversified its operations in the transportation field to include trucking and bus services. It was indeed headquartered in Vancouver until 1977, and its major revenue source from the '60s onward had been the Calgary-Edmonton airbus. As well, PWA had long been involved in the air cargo business.

The early 1970s were boom years for PWA, Mr. Speaker, and in 1973 and '74 it grew by 31 and 21 percent respectively. This impressive and rapid growth, while opening up lucrative new markets and opportunities, also placed a heavy burden on PWA, and as the Financial Post remarked in '74: demand for service has stretched Vancouver-based PWA to its limit.

It was widely rumoured in '73 that various interests were considering acquiring the airline. In late July 1974 speculation mounted about a dramatic change in the ownership, and in August the mystery buyer was revealed as none other than the Progressive Conservative government. In explaining the government's sudden acquisition of PWA, the Premier stressed that public ownership was essential if PWA was not to fall into the hands of interests who were indifferent or even hostile to Alberta's economic aspirations. All the potential PWA buyers, the Premier argued, were based outside of Alberta, and under those circumstances there were no firm guarantees that PWA would serve Alberta's long-term economic interests.

This has become a true success story. The airline has gone on to become the second largest airline in the industry in Canada and survived some very serious threats to its existence and has been returned to private ownership in a healthier, more viable stature, a distinct asset to Alberta and all of Canada for that matter. There was clearly a time and a need to intercede into the

domain of privatization, and just as clearly there was a time to return to private ownership. The key is timing, Mr. Speaker. I feel that it would have been irresponsible for this government not to have reacted when it did and allow this huge employer to be gobbled up and relocated, taking the jobs, the development, the technology, et cetera, elsewhere. I'm sure it wasn't a popular move at the time. Our current Premier, Mr. Getty, was as integral a part of the discussions and decision-making at that time as he is today, and I as an Albertan feel that we owe a debt of gratitude for such foresight.

Now we are asked to reconsider this entire issue. There is absolutely no question that privatization is the most ideal stature to assume in a country noted for free enterprise, and I, too, am rather surprised at the source of this motion. If we were to listen to our Official Opposition to my right, I have no doubt that we would eventually nationalize the very air that we breathe. That's not freedom, Mr. Speaker, and that's not Alberta.

I'd like to relate a story that occurred during my campaign, Mr. Speaker. Just outside of a village in my constituency there is a very sharp corner, and for years the people in the area had been after the government to straighten out that corner before someone got hurt. Indeed, if someone went off that corner tomorrow, I'm sure I'd receive all kinds of letters from people saying that we should have straightened out that corner sooner. Not one of them would likely say that that individual should have taken more responsibility for that corner himself. I think our problem is that our Official Opposition would like us to straighten out all the corners in our lives, that the government should step in and eventually own all those corners, and I think that would be the end of freedom as we know it in this province. Perhaps the analogy is weak, but it does seem to fit.

There is a time, Mr. Speaker, and this government will continue to exercise good judgment, commonsense, and courageous foresight when it comes to the ownership of vital corporations. I support this motion.

MR. DEPUTY SPEAKER: The hon. Member for Calgary Buffalo.

MR. CHUMIR: Mr. Speaker, thank you. I'd like to speak only briefly on this and, firstly, would like to . . . [some applause] Gales of applause. I'd like to congratulate the Member for Edmonton Meadowlark for raising the issue in such a broad, philosophical perspective. This is indeed an occasion for philosophical discussion, and I approach the issue in that spirit without any pretense of having definitive answers or ideas. I'm sure, like most members in the House, I'm going through a very interesting learning process in listening to the varied ideas that are being expressed here this afternoon.

The general philosophical framework the community has generally accepted, and which I accept, is that there is a role for a Crown corporation in a number of instances. Firstly, there is a role in that realm which has been specified in the philosophical statement of the Member for Edmonton Meadowlark, and that is where the private sector will not or cannot act. In fact, this would be a very rare circumstance. Normally, if commercial enterprise or animus is an issue where money can be made, one will find private enterprises which will step into the breach. Accordingly, it's usually where there is a noncommercial element of community or public service that is in issue that this form of enterprise would be useful. An example would be where there are services to some remote area of the community, whether by way of telecommunications or transportation.

A second area and perhaps the primary area which is accepted in our community, in our free-enterprise directed community, is that Crown corporations are supportable where a monopoly situation exists and where the public interest in regulating that monopoly is an issue. The classic example relates to utilities, including Alberta Government Telephones. Since the position is a monopoly one, the rates are already regulated and there is little benefit to be derived from private ownership because there is no competition.

The final area, Mr. Speaker, where one sees Crown corporations playing a role and where I believe there can be some strong justification is that in which we're dealing with an area of special public policy in which the government is already naturally involved in regulation, where there is, as a concomitant to that situation, very little risk in the enterprise, where one might perhaps describe it as almost a licence to print money exists, and accordingly where the government decides and the community decides that the benefits of competition in such circumstances are so slight that Crown corporations should be utilized as a source of revenue. The classic examples falling under that principle in my view would of course be those of the liquor stores, where we deal with the regulation of alcohol, and to some extent some forms of gambling, such as the large lotteries which are run by and on behalf of and for the public benefit.

A point that I would like to make in response to some of the stentorian comments of government members is that I perceive a very distinct lack of clarity in the actions and activities of the government over the past 15 years. They seem not to be acting very strongly on the basis of these principles. The first example that I would like to raise would be the government's sponsorship and initial ownership of 50 percent of the shares of the Alberta Energy Company. I find myself very, very hard pressed to determine what public benefit has been derived from the establishment of that corporation by the province of Alberta and what principle one would refer to as supportive of Crown corporations or quasi Crown corporations that company falls under. I find it very difficult to determine what is being done by that corporation that would not have been done by private enterprise. I find it very difficult to understand why special benefit with respect to lands owned by the province of Alberta was given to a corporation in which half of the shares were owned by private individuals so that the benefit accrued to those individuals rather than collectively to the people of the province.

I find it very hard to understand why the government at that point in time would dispose of very valuable natural gas interests, particularly in the Suffield Block, which should have and could have been maintained for the long-term prosperity of this province. What we have found is that the Alberta Energy Company has been selling gas in competition with all companies in this province at a time when there is a glut on gas. It has gas marketing benefits, and to the extent that the province of Alberta still maintains, I believe, its 37 percent share position in that company, it is depriving other companies in this province who cannot sell their gas from the opportunity to so benefit. It seems to me, Mr. Speaker, that a far more sensible approach would have been for the government to maintain and hold the interests it owned in the Suffield Block -- and Cold Lake, I believe, is the other primary area in which Alberta Energy is interested -- for the long-term benefit of the people of this province.

A second area that I would like to raise in which lack of philosophical clarity is evident in the actions of the government relates to the situation of the sale of liquor. I would like to com-

mend the government, in fact, for having done a relatively good job over the years in terms of the sale of liquor, particularly with respect to wine. Alberta has been renowned across the country for having a wonderful selection of wine at very reasonable prices. The government in recent years has opened up some very high-quality specialty wine shops, perhaps amongst the finest in the world. I can't for the life of me understand why the latest of those shops was set off in the far reaches of one part of the city; perhaps to make up for the absence of other facilities of a more important nature in northeast Calgary. It certainly could have been placed in a more central location.

But the heart of my concern is that while the government has done a good job with respect to the liquor and wine stores, it has recently started an initiative which threatens the whole viability of the system and the revenues which the government derives from the sale of liquor, and that is that it has sanctioned the opening of several pilot wine stores in each of Calgary and Edmonton. The question that arises is: where are we going with respect to those wine stores? What happens if they are successful? And it appears that they are successful at this stage of the proceedings, particularly in light of the recent liquor strike. What is the government's intention if they are successful? Are we going to erode the monopoly position of the Alberta Liquor Control Board, which returns such a very significant amount of money and which can, I believe, be philosophically justified in this province? Are we going to allow that monopoly and that revenue base, at a time when we are undergoing such serious economic problems, to be further eroded? I believe the government has been very shortsighted with that first step, because it's a step that's almost impossible to reverse, and it's very difficult to resist the next step. I think the government has made a very serious philosophical error and has been very shortsighted in stepping in that direction unless it is prepared to see the dismantling of this very important revenue base for the people of Alberta.

Another area that's of concern and that has been raised by the hon. Member for Edmonton Meadowlark is that aspect of Alberta Government Telephones which is not in the telephone and telecommunications area, the natural monopoly area, but goes beyond that, in which Alberta Government Telephones is competing with the private sector. That raises very important questions that I think have to be addressed and are very sensibly questioned by this motion. Why is Alberta Government Telephones engaged in those enterprises? Where are we going in that regard? Why stop there? I think these are questions that should be answered.

Finally, Mr. Speaker, I would raise some questions with respect to the position of the Treasury Branches in our community, not by way of suggesting that they should be disposed of, because they have become a very, very strong part of the fabric of this community, but it's very clear that they stand out as an aberration in the conceptual role of the type of enterprise the government should be involved in. Now, perhaps in fact it's not so much of an aberration in terms of the attitude of this government because the government seems to be moving more concretely in that direction with its recent initiatives with respect to North West and Heritage Trust. Perhaps the government has perceived that as a result of the failure of its financial policies with respect to financial institutions, whereby one of the great triumphs of diversification in this province has been the almost complete diversification out of financial institutions, the only way we're going to be able to maintain them is if the government owns them. So, as I mentioned, I'm not suggesting that

we do dispose of them, but I think it's a valuable exercise to start questioning the direction and the philosophical basis of the types of enterprise that this government is involved in. Of course, the Treasury Branches raise one of those situations where we have to recognize that we're not at the beginning of history; we're in the middle, and there is a great deal of background.

However, those are my general comments. They are of a broad philosophical and questioning nature because this is an area in which I find myself troubled and without clear answers. I find that the debate is very useful to clarification of the issue, and I congratulate those members who are participating in it, particularly the Member for Edmonton Meadowlark once again for his interest and service in having raised it.

Thank you.

MR. DEPUTY SPEAKER: The hon. Minister of Labour.

DR. REID: Mr. Speaker, I want to make some brief remarks on the subject that the Assembly is addressing this afternoon. Before doing so, though, I have to comment on the last few comments of the Member for Calgary Buffalo, who was talking about philosophy and having some difficulty and who obviously was having some trouble in sitting on the fence, which is the traditional position of the party he represents in this Legislature.

I think we have to look at the record of that party, which has sometimes been called the traditional party of government in Ottawa, although I think it's high time that situation changed and I hope that it has changed. Historically they have not just created Crown corporations where it was necessary and where it was valid. Let's look at the Canadian National Railway, for example. Transportation in Canada at that time was almost entirely by rail. Certainly the transportation of goods was by rail. The country could not exist without those railways, and they had gone into a state of receivership, with the exception of the CPR, and it was necessary to form the Canadian National Railway to maintain an essential service.

[Mr. Speaker in the Chair]

One could say the same about the formation of Trans-Canada Airlines, where had it not been done that way the airline service might not have developed. But what happened there was a classic example of what happens with Crown corporations. Trans-Canada Airlines, now Air Canada, was formed to make sure that service was delivered across the country. While it still had essentially a monopoly in trans-Canada service, it withdrew from the old prairie milk run, which was subsequently taken over successfully by a series of small private corporations.

The creation of Crown corporations in Ottawa by the federal Liberal government ran amok to the stage that we had trucking companies in Alberta owned by the federal government. Now, that's the record of the Liberal Party in Ottawa. On the other hand, we've heard some disclaimers from the socialists in the New Democratic Party saying that of course they wouldn't go too far, and all the rest of it.

It's interesting that if one looks at the country I came from, which has had a succession of socialist governments, to its detriment financially and in many other ways, one finds that no longer do they talk of their Crown corporations as nationalized industries, which was a formation that was very popular after the war by the socialist government. They are now realizing that the term "nationalized industry," which is another term for a

Crown corporation, is unacceptable in that country, and they are now referring to it as social ownership. Now, that's a euphemism: social ownership for a Crown corporation.

But let's look at the record of the Crown corporations that were formed by successive socialist governments. They took over the railways. Again, as in the example of the Canadian National Railway, that was probably a good move, especially after the war when there was a tremendous shortage of rolling stock. The railways were worn out by the efforts of the war, and the capital cost of putting them back in order was probably beyond the capability of the four corporations that owned the railways prior to the war. That was a good move.

On the other hand, they nationalized the coal mines. There is in this province a private corporation involved in coal mining, Luscar Ltd., which is based in the south of Scotland. They employed employees of Luscar in Scotland tried to stay out of the National Coal Board's nationalization process. The employees appreciated the employer; they had an excellent relationship. They did quite well by comparison with other coal miners, and the corporation was making a profit. However, the doctrinaire attitude of the socialists was: we are going to nationalize every lump of coal in this country. And they did. That coal mine, of course, closed down very rapidly thereafter, as did many others.

In addition to nationalizing the railways, however, they continued the Crown ownership of British European Airways and Imperial Airways, which became British Overseas Airways Corporation. But they also nationalized, believe it or not, all the buses, and they nationalized all the long-distance trucking. Corporations which had been making money -- MacBrayne's and Alexander's in Scotland, and others in England -- running buses in isolated areas in Scotland, I might add ... Those corporations had been profitable and promptly went into the usual deficit position of Crown corporations. The trucking companies were even worse. They put them all into the same red colour, a suitable colouration for the trucks, and the whole outfit as a total made an enormous loss, whereas the constituent parts which had been in the private sector were running at a profit. Having achieved that, they then did the same to the steel industry. They took over Guest, Keen and Nettlefolds and other major British steel producers who had been making a profit before the war, during the war, and subsequent to the war and created British Steel, which promptly once more went into the red.

There is a litany of similar items. They nationalized the manufacturing of trucks, of buses, of automobiles, the shipbuilding industry in Scotland, which hardly exists now subsequent to its nationalization. They nationalized the gas distribution system when natural gas became available. This is an example of what happens. It's all very well for the members of the Official Opposition to disclaim any intent of the same thing, but they belong to the same category of believing in social ownership.

Compare that to the record in this province, Mr. Speaker. Successive governments in Alberta have backed up the creation of Alberta Government Telephones. That corporation has provided an excellent service in rural Alberta, a service that prob-

ably no private corporation could have initiated and developed. It's done that on the basis of using income from the larger centres to deliver service to areas such as the one I represent, which is a third of the size of Scotland and has a population of 30,000. Alberta Government Telephones in that area has provided a good service. On the other hand, when it does get into competition with the private sector, it may well be that the motion of the Member for Edmonton Meadowlark has a validity to it. But it's interesting to hear it coming from a party that has traditionally been much more in favour of public ownership than private ownership.

There are many other items. The Alberta Liquor Control Board: the Member for Calgary Buffalo addressed the subject of the wine boutiques. He may not know it, but the Alberta Liquor Control Board carries an enormous stock by comparison with other liquor control boards, some 2,000-odd items in wines. But there are over 200,000 wines available on this planet, and the private wine boutiques were encouraged from the beginning to bring in some of the other 198,000 for Albertans to try and, if they wished, to buy. I think that was a valid exercise in allowing the private sector to compete with a government monopoly. I understand that they have been successful, and the most successful of them have been those that have brought new wines into the province for Albertans to taste.

The many other Crown corporations -- the Research Council, AOSTRA, the Alberta Opportunity Company, and others -- are of course to a considerable extent arms of government policy. They are not Crown corporations in the classic terms.

Mention has been made of the Alberta Energy Company. I must say that there is one arm of that company with which I have very considerable difficulty, and that is their ownership of a sawmill and a board plant at Blue Ridge. I don't feel that it is necessary to have any partly Crown-owned corporation sawing logs, making two-by-fours, and making board. The private sector can very well do that, and I would certainly encourage the Alberta Energy Company to stick with the energy industry, which it knows so well, and get out of the lumber industry.

Mr. Speaker, in view of the hour, I would adjourn debate.

MR. SPEAKER: Having heard the motion, does the Assembly agree?

HON. MEMBERS: Agreed.

MR. SPEAKER: Opposed? Carried.

MR. CRAWFORD: Mr. Speaker, it's not proposed that the House sit this evening. Tomorrow, motions 1 and 3 will be called and, after that, continuation of the debate on the address in reply.

[At 5:27 p.m. the House adjourned to Wednesday at 2:30 p.m.]