

**LEGISLATIVE ASSEMBLY OF ALBERTA**

Title: **Tuesday, May 12, 1987 2:30 p.m.**

Date: 87/05/12

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

[Mr. Speaker in the Chair]

**PRAYERS**

MR. SPEAKER: Let us pray.

Our Father, keep us mindful of the special and unique opportunity we have to work for our constituents and our province, and in that work give us both strength and wisdom.

Amen.

head: **INTRODUCTION OF VISITORS**

MR. KOWALSKI: Mr. Speaker, on September 19, 1985, a horrified world learned about the disastrous earthquake in Mexico City that destroyed hundreds of buildings and left thousands dead, injured, or trapped in the wreckage. As resources were mobilized from many countries, a group of volunteers here in Alberta pooled their resources and skills as emergency physicians and paramedics and prepared to do what they could to help. With the support and the assistance of the honorary consul of the government of Mexico in Edmonton, Mr. Angus MacDonald, and in Calgary, Mr. Alan Graham, a group of young men put together a remarkable humanitarian effort. They organized themselves and quite an incredible amount of supplies generously donated by many companies in Alberta and western Canada. Within a few days this group and an aircraft load of supplies departed for Mexico City and a week of grueling, traumatic work helping to locate and find victims of this terrible earthquake. They were followed the next week by others who were prepared to help where they could.

The role of the government of Alberta was to help where possible, and Alberta matched the generous relief contributions organized by the honorary consuls. No province in this country and no single group in Alberta did more or responded more generously than Albertans. Some \$300,000 was provided by 10 different nongovernment organizations. Today the government acknowledged this effort and saluted the volunteer spirit and humanitarian concern of those who participated in this brave and imaginative undertaking. It was much appreciated by Mexico, by our federal government, and by Albertans who are proud of such initiatives. Their efforts typify a spirit that we in Alberta hold to be important, to get things done that have to be done and to be concerned for our fellow man. As well, these young men are organizing, through their own initiative, an Alberta disaster response association that will be ready to react should similar disasters occur throughout the world.

Mr. Speaker, I would like to introduce to you and to all of our colleagues -- and as I call their names, I would ask them to stand -- Mr. Alan Graham, honorary consul, government of Mexico, Calgary; Mr. Mark Egner, managing director, Alberta Public Safety Services; and the volunteers of the original team

who are in your gallery: Dr. Allen Ausford, Mr. Bruce Barry, Mr. Grant Brilz, Mr. Rene Dubord, Mr. Brian Makey, Mr. James Parker Matheson, Dr. David Montoya, Dr. Peter McGuire, Mr. Mark O'Flanagan, Mr. Steve Spiegelmann, Dr. Merrill Steed, Mr. Rod Warring, Mr. David Kerr, Mr. George Foster, and Mr. William Davies. One member of the original team, Mr. John Bauman, is out of the province.

Mr. Speaker, these outstanding Albertans are in your gallery, and I believe it would be most appropriate for our colleagues to welcome them to the Assembly today.

head: **READING AND RECEIVING PETITIONS**

MR. MITCHELL: Mr. Speaker, I would request that you direct the Clerk to read and receive the petition that I submitted to the Legislature yesterday.

ACTING CLERK:

TO THE HONOURABLE THE LEGISLATIVE ASSEMBLY OF ALBERTA, IN LEGISLATURE ASSEMBLED

The petition of the undersigned residents who now avail themselves of their ancient and undoubted right thus to present a grievance common to your Petitioners in the certain assurance that your Honourable House will therefore provide a remedy,

HUMBLY SHEWETH

Whereas as representatives of sound and closed circuit television contracting firms in Alberta we feel that small business should not have to compete unfairly with Alberta Government Telephones; and Whereas Alberta Government Telephones is an Alberta Crown Corporation and is owned by the Government of Alberta to which all Alberta citizens pay taxes; and

Whereas the private sector is capable of providing sound and closed circuit television sales and service to all of Alberta.

Wherefore, the undersigned, your petitioners, humbly pray and call upon the Legislative Assembly of Alberta to end this unfair competition between Alberta Government Telephones and small business in the sound and closed circuit television contracting industry.

head: **TABLING RETURNS AND REPORTS**

MR. RUSSELL: Mr. Speaker, I beg leave to table the answer to Question 184.

head: **INTRODUCTION OF SPECIAL GUESTS**

MR. ALGER: Mr. Speaker, we have within the confines of this Legislature four very remarkable, energetic, thoughtful, and concerned citizens, all representatives of the Turner Valley Oil-field Society, who are here today presenting a development proposal, soon to be circulated, for an international-calibre historic and tourist attraction located in Turner Valley and benefiting that oil field region. I know you'll all join me in wishing them every success in this fantastic endeavour.

Mr. Speaker, I present to you in the members' gallery Danay Lott, president of the society; Vicki Adamson, mayor of Turner Valley; Larry Clansen, of Western Decalta Petroleum; and

David Finch, the society historian. I would ask them to rise en masse and receive the warm welcome of the House.

MR. GETTY: Mr. Speaker, I'd like to introduce to you and to all the members of the House, some 96 students in the grade 6 class from Duggan elementary school in Edmonton Whitemud. I had an opportunity to meet with them earlier. They are studying government now in their class. They are in both the members' and the public galleries. They are accompanied by four teachers: Mr. Ostfield, Mr. Springer, Mrs. Daniel, and Mr. Kulak, and one parent, Mrs. Kernahan. I'd ask them to stand please and be recognized by members of the Assembly.

MR. SPEAKER: Westlock-Sturgeon, followed by Red Deer South, followed by the Minister of Agriculture.

MR. TAYLOR: Thank you, Mr. Speaker. I'd like to introduce to you and through you to the Legislature, a special guest from a special constituency. It's the constituency of Edmonton Whitemud. The special guest is Camille Harrison, 10 years old, from the Westbrook school in the constituency. She has come to the Legislature to observe government in action along with her brother Shawn and her mother, Karen. Would they stand and accept the congratulations of the Legislature.

MR. OLDRING: Thank you, Mr. Speaker. It's a pleasure for me to introduce to you and through you to the Members of the Legislative Assembly, 50 well-behaved grade 6 students from the Annie L. Gaetz school, located in the constituency of Red Deer South. They are accompanied by two of their teachers, Mrs. Jeane Rathwell and Mrs. Marilyn Ganger, and by two parents, Mrs. Donna Meeder and Mrs. Edith Kerber, who is also a good family friend.

I would point out, Mr. Speaker, that yesterday I was the guest of Annie L. Gaetz school and had the opportunity of meeting with these students and their teachers, and they asked some very good questions. Today they are our guests, and they are seated in the public gallery. I would ask that they rise and receive the warm welcome of this Assembly.

MR. ELZINGA: Mr. Speaker, it's my pleasure to introduce to you, sir, and to Members of the Legislative Assembly, three individuals who are very outstanding in the role of agriculture in our province of Alberta. I begin by introducing Doug Livingstone, the president of the Alberta Wheat Pool, Mr. Ray Schmitt, the first vice-president of the Alberta Wheat Pool, and Peggy LeSueur-Brymer, policy analyst, also from the Alberta Wheat Pool. I would ask the three if they would rise and receive the very warm welcome of this Assembly.

#### head: ORAL QUESTION PERIOD

#### School Cutbacks

MR. MARTIN: Mr. Speaker, I'd like to direct the first question to the Minister of Education. Some 180 school districts around the province are in the process of implementing the cutbacks in school funding ordered by this government. The implementation of the 3 percent cut, compounded by increases in costs which are beyond the control of trustees, has led to thousands of job losses and major tax increases to homeowners. Clearly, this government is responsible for these measures.

My question to the minister: does the minister have informa-

tion on the total job losses from the school systems in the province? Will she state whether these job cuts are within the range forecast by the government at the time it implemented the spending cuts?

MRS. BETKOWSKI: That was clearly two questions, Mr. Speaker. No, I do not have the number of the teachers who will be affected by a process which is ongoing right now in the public and separate school systems.

MR. MARTIN: Mr. Speaker, is the minister saying then that they brought in a policy, and they have no idea what is occurring in the province? Is the minister saying that they're not even monitoring to know what is going on in the province?

MRS. BETKOWSKI: That was not the original question, Mr. Speaker. School boards in this province are given the authority, and appropriately I would say, to hire the teachers for the delivery of their program. These trustees are elected across the province. There are about a thousand of them, and they set up teacher contracts, not the Minister of Education.

In answer to the fourth question, which was his second, I am monitoring the implementation across the province and will always be monitoring it and continuing it through a very difficult fiscal process.

MR. MARTIN: Mr. Speaker, if the minister is monitoring it, surely she would know how many jobs are being lost.

I might point out, Mr. Speaker, that two city school districts in Edmonton, for example, have been forced to eliminate 253 teaching positions and 234 nonteaching positions, for a total of 487. My question to the minister: how can the minister claim, as she has done in this Assembly, that there is no loss of educational opportunity because of these cuts?

MRS. BETKOWSKI: Mr. Speaker, all of what goes on in education in this province does not occur solely in the cities of Edmonton and Calgary. The hon. Leader of the Opposition would be well advised to look at the very fine job that school boards across this province are doing in dealing with a difficult fiscal year.

One of the main considerations in the Provincial Treasurer's presentation on March 20 of the Education budget and mine supplementally on last Thursday evening was to indicate that there was a delay in the implementation of the minus three reduction to school boards to September 1. One of the main reasons for that was the recognition that to effect that change earlier than September 1 would be very, very disruptive in the classroom and would affect student classrooms immediately. As well, the fact that most teacher contracts in this province would be up at the end of August 1987 was another major reason for delaying that implementation to September 1. I think it was a very important statement by this province of the very high priority which we place on education.

MR. MARTIN: Well, Mr. Speaker, they certainly do place a lot on education. No doubt the trustees are doing a fine job, but we've contacted a couple of dozen school districts to determine how they are coping. In almost every case the result is similar: cutbacks and higher property taxes. In Calgary over 600 staff positions were lost.

My question to the minister: I've heard her talk about a partnership; is this the partnership that she talks about working?

First of all, she does the cutbacks and the money, and they take the political flak when that happens.

MRS. BETKOWSKI: Mr. Speaker, despite the efforts by the Leader of the Opposition, the education community is responding and is responding well to the issue of fiscal restraint. They are looking at the priorities in this system. Yes, it is going to mean some reduction in jobs. Yes, it is going to mean some different delivery in terms of programs, but the programs will continue to be delivered. In fact, the quality can be maintained in spite of that reduction.

MR. TAYLOR: Mr. Speaker, to the minister. She has copped out of her chore by saddling the dirty job onto the trustees. So would the minister go so far as to make the appropriate legislative changes and funds available so that we could retire a number of the teachers early and thereby create more openings so that there'd be less layoffs?

MRS. BETKOWSKI: Well, I'm pleased to have that suggestion from the Leader of the Liberal Party, Mr. Speaker. My first priority in the Education budget, as I have said frequently in this Assembly, is the delivery of basic education programs to the students in the system. If that should extend beyond that first priority into funding an early retirement program for teachers, I think it's a notion which the hon. member may well put on the Order Paper and we could fully discuss in this Assembly.

MR. SPEAKER: Supplementary, Red Deer South.

MR. OLDRING: Thank you, Mr. Speaker, a supplementary to the Minister of Education. Could she indicate to the Assembly the percentage of the overall budget that Education received in last year's budget and what percentage they have received in this year's budget?

MRS. BETKOWSKI: Well, as noted in the Budget Address, Mr. Speaker, the proportion spent on Education in this year's budget is up from last year's. I think an even more telling figure is the fact that the reduction in the Education budget was about 1.9 percent, whereas the reduction for all other government service programs in other than the health, education, and welfare fields was down by about 16 percent. Again, it speaks very clearly to the very high priority we place as a province and as a government on the very fine quality of education we have in this province.

MR. SPEAKER: Second main question, Leader of the Opposition.

MR. MARTIN: I designate the second question to the Member for Edmonton Avonmore.

MS LAING: Thank you. My questions are addressed to the same minister, and they relate to the exodus of qualified Alberta-trained teachers from the province. On June 4 and 5 the Alberta Teachers' Association is sponsoring a jobs fair to help teachers and education graduates find jobs outside of Alberta. This year's entire graduation class faces unemployment this fall. Over 500 have already registered for the job fair in Edmonton alone, and it is estimated that some 2,000 teachers could leave the province. Does the Minister of Education have any explanation for this exodus other than the education funding cuts?

MRS. BETKOWSKI: Mr. Speaker, the hon. Member for Edmonton Avonmore is not correct when she says that the entire class of graduands from our universities is facing unemployment. It is true that there will be some of those graduates who will be unable to find the teaching jobs that they wish, and I regret that. However, I think we have in place a system which is trying to add some of those teachers into the system, and I applaud the ATA and its efforts to try and find jobs for those teachers who will become its members.

MS LAING: Mr. Speaker, the loss of these teachers represents an important loss to Alberta, not only in skill and expertise but also since Alberta taxpayers pay, at a low estimate, \$35,000 to train each and every teacher. My question is: what can the minister offer to these teachers to encourage them to stay here other than an attempt to defend the budget that has already resulted in a loss of hundreds and hundreds of teaching positions?

MRS. BETKOWSKI: Mr. Speaker, I cannot guarantee every qualified teacher in this province a job, nor do I believe it is a responsibility of government to do that. There is clearly a difficult fiscal situation in this province. We are all part of that, including teachers. I think the efforts of many people to employ those teachers are laudable. I also think that we have to look forward to a time when we will be able to be employing more of them. But again it is a question of balance. We have new teachers. We have new teachers moving into the system even now, despite the allegations made by the hon. member, and hopefully it will return to more normalcy within some time.

MS LAING: Mr. Speaker, short-term gains will result in long-term losses, especially the teachers we'll need in the coming years. Will the minister explain how she can continue to claim that forcing school boards to reduce teachers' aides, preparation time, and in-service training; increase class sizes, increase numbers of multiple-grade classes, increase user fees, increase the time young children spend on . . .

MR. SPEAKER: Thank you, hon. member, for that succinct supplementary. Minister.

MS LAING: . . . how will this not . . .

MR. SPEAKER: No. Order please, hon. member. Minister, response please. The question was out.

MRS. BETKOWSKI: Obviously, the first priority, as I have indicated in several questions, is the quality of education delivered to the student in the classroom. We have been very fortunate in this province over the last many, many years to be able to continue to fund the system of education, which has seen it grow. Now is the time, however, when we can look at what we're doing, ensure that the most important purpose of education, which I will argue is student learning -- meeting that goal. And then beyond that, certain other priorities are going to fall below that priority level.

MS LAING: Mr. Speaker, to the Minister of Career Development and Employment. In view of the fact that 43 percent of first-year students taking basic English competency exams at the University of Alberta failed, that 20 percent of adult Canadians are functionally illiterate, and 265 English classes in the Edmonton public schools have more than 35 students in each class,

what assurance can the minister give that cuts to education will not have a significant negative effect on the future employment opportunity of today's students?

MR. ORMAN: Well, Mr. Speaker, as the hon. Minister of Education indicated, we cannot guarantee in education that there are going to be jobs for education students. We can't guarantee engineering students that there are going to be jobs for engineers. All we can do is create an environment in this province that is conducive to the expansion of the economy. We recognize the difficult times we are facing. All of us who have gone through university recognize the risk that we take enrolling in certain programs, and that may be that the demand is not the same at the time we enroll as it is at the time we graduate.

That does not mean to say, Mr. Speaker, that we cannot pursue our objectives or our goals in other manners. Certainly, as the minister has indicated at other times and as the Premier has indicated, we cannot use education as a job-creation program. It's to educate our young people.

MRS. BETKOWSKI: Mr. Speaker, if I could just supplement that answer. I don't wish to leave on the record the premise to the member's question where she spoke about split classes and several other things. Split classes in this province were not created as a result of a minus three in education grants, which will take effect on September 1. They've been around for a long time, and they'll probably continue to be around for a while.

MR. CHUMIR: To the minister of manpower, who would seem to think that perhaps we shouldn't have teachers at all, the question is: why not use part of the \$110 million-plus lottery slush fund that he's sitting on to save teaching and support staff jobs and at the same time to help maintain the quickly eroding quality of education? Smack two birds with one stone, so to speak.

MR. ORMAN: Mr. Speaker, firstly, I would not agree with the premise of the hon. Member for Calgary Buffalo, that there is an erosion in the quality of education. I would say quite the contrary. I would say that the focus that has been brought to education and health care as a result of our restraint program, our fiscal responsibility, has given people a clear understanding of their priorities.

With regard to lotteries, Mr. Speaker, it is our view in this government that the lotteries are well served by areas of culture, amateur sport, and recreation, and it will continue to address those issues. It also will continue to be used in areas of greatest need. I can give the hon. member that assurance.

MR. DAY: Mr. Speaker, to the Minister of Education. Can she indicate to us whether declining enrollments in either elementary or high school are having any effect on demand for teachers?

MRS. BETKOWSKI: In fact, Mr. Speaker, our enrollment in this province over, really, the past decade has been relatively constant. Yet over that same period the increase in support by this province to education, given a provincial population which has grown by about 25 percent in contrast, has been beyond the enrollment, beyond the inflation, and has in fact funded the quality in this system, which is why we can now look at that base and say we can survive a very difficult time. We can help it; we're working from the strong base, and therefore the fiscal restraint program is in fact very creative.

### Grain Transportation

MR. TAYLOR: Mr. Speaker, my question today is to the Minister of Agriculture. With grain prices lowered by 18 percent and subsidization of grain occurring throughout the world, the future of the grain farmer in Alberta is certainly in jeopardy. To compound this serious situation there is the threat of disruptions to grain transportation this coming summer. Can the minister inform the House as to what investigations he has done for possible labour disruptions farmers face this year in moving their crops to market, in light of the fact that some 10 union contracts, which affect the movement of grain to export markets, have expired and in most cases negotiations are deadlocked?

MR. ELZINGA: Mr. Speaker, we are monitoring the situation very closely. As the hon. Member for Westlock-Sturgeon should be aware, those contracts do fall under federal jurisdiction. The last time there was a dispute, the federal government, under the leadership of Pierre Cadieux, the Minister of Labour, reacted very quickly to avoid as best as possible any labour disruption to the movement of our grain.

MR. TAYLOR: I take it, Mr. Speaker, that it's: put our faith in the federal government, and he or she will look after you.

Is the minister aware, Mr. Speaker, or could he tell the House if he has investigated reports that Saudi Arabia has recently bought 300,000 tonnes of French barley because of the loading delays they encountered in our Canadian ports?

MR. ELZINGA: Mr. Speaker, in response to the hon. member, I'm more than happy to look into the allegations that he has just brought to light in the Legislative Assembly. I will report back to the hon. member.

MR. TAYLOR: Thank you, Mr. Speaker. Anytime you need to know anything about the department, give me a call.

A supplementary. What steps will the minister take to ensure that loading delays at Canadian ports do not result in future trade losses for Alberta producers?

MR. ELZINGA: Mr. Speaker, that is exactly why we acted so promptly in times past when there have been labour disputes, encouraging the federal government to involve themselves very quickly, even to the extent of involving themselves prior to the contracts expiring, so that hopefully they can be renegotiated to avoid any type of a port closure.

We're going to continue, as I indicated earlier, to monitor the situation and to continue to make representations to the federal government, as we have done in the past, so that in the event that there is any type of a dispute, they will act very quickly so that there will not be more harm brought to our already depressed grain prices.

MR. TAYLOR: Mr. Speaker, a final supplementary to the minister. He is leaving too much to the federal government; I just don't understand his faith there. Has he investigated, for instance, the possibilities of using the American railroad system and ports, trucking systems, or railroad all the way across to the Atlantic ports, or are we still staying with the old systems?

MR. ELZINGA: Mr. Speaker, I'm going to ask the hon. Minister of Economic Development and Trade to supplement my answer, because transportation does fall under his

responsibilities.

But let me indicate that contrary to what the hon. member has indicated, whereby we have left our obligations to the federal government, we've done everything but that. This government has been more forthcoming with their support for the agricultural sector, whether it be the grain sector or the livestock sector, and we're going to continue to support. Mr. Speaker, as best we can during these difficult economic times. Even acknowledging these difficult economic times, we have been more forthcoming with our support than any other province in Canada.

MR. SHRAKE: A supplementary question, Mr. Speaker. On the expediting of the movement of our grain and the transportation, has the Prince Rupert terminal helped at all, the one that this province built in B.C.?

MR. SHABEN: Mr. Speaker, with respect to the movement of commodities on the national rail system, all of us in this Assembly are aware of how important it is to Alberta that we are able to move our goods and services economically and efficiently to market. We have worked co-operatively with the national government, which has jurisdiction over our railway systems, in the development of legislation that is now before the House of Commons, the National Transportation Act.

With respect to alternate modes, there are some significant changes in the National Transportation Act that could lead to expansion of trucking, for example, as a mode to move grain to ports. As well, Mr. Speaker, the government has for a number of years held the view, as a result of consultation with Alberta farmers, that it is important that the Crow benefit be paid to the farmer, and that would also make it far more possible to use other railways other than Canadian railways.

Now, with respect to the question by the Member for Calgary Millican, the throughput at Prince Rupert has increased dramatically, and we expect that in the current crop year it will reach its design capacity; that is, handle 3.5 million tonnes of grain. So it has been a success, Mr. Speaker.

MR. FOX: Mr. Speaker, to the hon. Minister of Agriculture. In terms of transportation problems faced by grain producers this summer, has the minister contacted the federal minister responsible for the Wheat Board and expressed his strong objections to the planned 5 percent increase in grain freight rates effective this August 1?

MR. ELZINGA: Mr. Speaker, I have not done so because we were so gratified at the \$60 million-odd that they did bring forward to offset the increased costs for the transportation of our grains. And it's noteworthy that a number of the major farm organizations also commended them for their forthcoming approach in offering additional cash to offset the transportation costs of our grain sector.

### Hospital Utilization

MR. R. SPEAKER: Mr. Speaker, my question is to the minister of hospitals. In this Legislature we have had a lot of discussions on the 3 percent cut. We've also looked at some solutions, but one of the problems I see is the matter of active care treatment beds in our hospitals being used by nursing home patients. Could the minister indicate what the severity of that problem is? And what are some of the solutions that are being worked on at

the present time to remedy the situation?

MR. M. MOORE: Mr. Speaker, yes, I can. The most difficult problem with respect to an actual surplus of active treatment beds and the shortage of auxiliary hospital beds exists within the city of Edmonton. The situation is not nearly so bad in the city of Calgary or elsewhere in the province. In the city of Edmonton we have at the present time about 3,500 active treatment beds in the city proper, plus there are surrounding hospitals that increase that level, and that's of course without the mental hospital in Edmonton. That's about 600 more beds than are in the city of Calgary. In Edmonton there are about 360 patients who've been assessed for either auxiliary hospital care or nursing home care that are presently resident in active treatment beds in hospitals in Edmonton.

One of the things we've done, and perhaps the most important thing over the longer term, is to reach an agreement with the Edmonton General hospital on the operation of the Mill Woods hospital that will see a reduction of some 150 active treatment beds in total there but the addition of some 348 extended care beds. That will alleviate a good deal of the problem in Edmonton, but that doesn't come into play until about two years from now.

In the interim, however, I had sent a letter some time ago to all hospital board chairmen suggesting that they may wish to convert some of their existing active treatment beds to auxiliary beds, thereby alleviating this situation. That was responded to from a number of places in rural Alberta, but I had no response from the large metropolitan hospitals. Since that time, because of our budgetary reductions, a number of hospitals in Edmonton and Calgary have closed, either temporarily or permanently, some numbers of beds, so I've now taken the initiative of contacting some of the hospital boards in Edmonton and Calgary. I talked to two of them this morning about the possibility of now converting a number of their beds, depending on the physical location of them, bearing in mind that some of them are surgical beds, some are medical, some may be pediatric or whatever -- I've now asked them to . . .

MR. SPEAKER: Thank you, hon. Minister. Perhaps we could leave a little bit more for a few supplementaries. Little Bow.

MR. R. SPEAKER: Mr. Speaker, the minister was doing very well. The specific hospital I'd like to ask about -- and the minister started to refer to it -- the Foothills hospital in Calgary, has had a plan to take one of their units that has been closed because of the cutback and change it into a nursing home facility. I believe the minister's answer was to imply that this process would be acceptable and that the minister would be willing to look at that alternative being proposed.

MR. M. MOORE: Mr. Speaker, because the hon. member didn't indicate what hospital, I had no choice but to start with Edmonton and work my way south.

If I could be permitted to conclude with respect to the situation in Edmonton, which is the most serious, I am hopeful there may be a way in which at least four hospitals in Edmonton -- the Charles Camshell, the Edmonton General, the Misericordia, and the Royal Alex -- might be able to accommodate some movement in this regard.

The situation in the Foothills hospital in Calgary, with 816 beds, is that they have at the present time about 40 extended care patients, 35 of whom have been assessed for auxiliary hos-

pital care and four for nursing home care. Again with regard to Foothills, I am hopeful that there may be some way in which that hospital can for a temporary period of time, until we're able to bring on additional auxiliary hospital beds in Calgary, move some of those beds which are now empty into long-term care. The difference, of course, is that in the Foothills hospital the average active treatment hospital bed costs about \$400, while an auxiliary hospital care bed with the proper level of nursing care is about \$100.

One has to bear in mind that we simply can't insert three or four or half a dozen auxiliary beds into an active treatment surgical or medical ward; you must have them all together in order to bring down the level of nursing care to get that cost factor in there. So there are a number of things to be worked out, but certainly it's possible.

MR. R. SPEAKER: Mr. Speaker, a supplementary to the minister. The Foothills as well has a no layoff policy in the hospital, and it's been because of the relationship between AUPE and the management of the hospital. Would the minister also consider directing his department to study the full Foothills management/labour workout, with an eye to implementing the same in other hospitals across the province? There must be some kind of a relationship there that could set an example in terms of other management.

MR. M. MOORE: Actually, Mr. Speaker, our department does not implement the policies of various hospitals with respect to their labour/management operations; that's a matter for each individual hospital to decide. In most cases hospitals have the Alberta Hospital Association bargaining on their behalf relative to any kind of an agreement they might have with their various unions relative to whether or not there are any layoffs.

It's not my understanding that the agreement between the Foothills hospital board and the various unions represented in the hospital in fact prevents any layoffs. My understanding is that the hospital has worked with the unions toward that end on a voluntary basis. We have encouraged other hospitals to do the same, and my information is that very few hospitals have had to lay off any staff at all and that those who have have, oftentimes began immediately hiring them back as soon as other attrition occurs with respect to people leaving the system.

In summary, there is not at the present time any problem whatsoever as far as I'm aware with people being laid off en masse at hospitals.

MR. HERON: Supplementary question to the minister of hospitals and medicare. Given that the senior citizens in the Stony Plain area have mounted a campaign and petition to draw attention to the lack of a single auxiliary bed in the constituency, an area of 2,200 square miles, would the minister give assurance that he would receive the petition and give adequate study to the problem?

MR. M. MOORE: Mr. Speaker, the Stony Plain area has to be considered in the greater Edmonton context in terms of auxiliary beds, and as I've just indicated, there is indeed a surplus of active treatment beds and a shortage of auxiliary beds in the region. Certainly if the priority of the community of Stony Plain and its surrounding area and its M.L.A. is for auxiliary beds rather than active treatment beds, that's something we would take into consideration when we have an opportunity to next consider capital projects requests, which will be for the budget

year beginning in April 1988.

MR. SPEAKER: Edmonton Gold Bar, followed by Edmonton Centre, supplementaries.

MRS. HEWES: Thanks, Mr. Speaker. No doubt the idea is right, to convert empty acute beds to auxiliary or nursing home beds. But the hospitals are already reeling under the cuts. Will the minister undertake to make funds available for these necessary conversions from acute to extended? It's not just as simple as changing the name of the bed; this is going to require arranging physical . . .

MR. SPEAKER: No representation after the question, hon. member, please. The minister's response. Let's go.

MR. M. MOORE: Mr. Speaker, what we've been looking at is the possibility that we could have a number of hospitals who have active treatment beds that are empty or that have been closed as a result of the budgetary reductions and use those beds at a level of staffing appropriate for auxiliary care. That will reduce costs. In most of the major hospitals in Edmonton we're looking at close to \$400 a day for an active treatment bed. It's about \$100 a day for an auxiliary bed. So you could open 100 auxiliary care beds, for example, for the price of 25 active care beds, so there is a great cost saving to be obtained right in the hospital itself.

MR. SPEAKER: Thank you. Edmonton Centre, supplementary question.

REV. ROBERTS: Thank you, Mr. Speaker. Could the minister please outline, with his bed conversion policy, how many active treatment beds in rural Alberta will cease being active treatment beds?

MR. M. MOORE: I don't know that yet, Mr. Speaker, because it was in about mid-February that I wrote to all hospital board chairmen across the province and suggested to them that they may wish to consider the policy of converting some of their existing active treatment beds to auxiliary beds. I indicated to them that I thought that should be done in not less than groups of five, because to have any less beds converted than that doesn't allow the proper kind of programming for auxiliary care. That's not very long ago, and since that time boards have been inquiring as to what assistance might be available for any necessary conversions in their hospital or any necessary new programming to provide for auxiliary care.

Until they've had an opportunity, which will be several months, to complete all of their investigations -- they also inquired about things like can they convert back, and if so, how soon? Until they've had an opportunity to do all of that, it would be impossible for anyone to know how many might be converted.

But it is fair to say that there have already been a number of requests in that direction. There have already been two active treatment hospitals converted entirely to auxiliary care beds.

MR. SPEAKER: Thank you. The Member for Calgary Glenmore, followed by Edmonton Highlands, followed, if there's time, by Calgary Buffalo.

### Alberta Catalyst Forum

MRS. MIROSH: Thank you, Mr. Speaker. To the Minister of Advanced Education. It appears that your assistant deputy minister has endorsed a new age in advanced education, bringing cosmic consciousness to Alberta. In this spiritual and mystical tradition of human mind a new system of teaching has been endorsed. Is this an endorsement of you and your department, and is it currently being implemented into the advanced system?

MR. RUSSELL: Well, Mr. Speaker, when I read the news reports of that forum. I wasn't very thrilled to see the involvement of one of the assistant deputy ministers from the department.

I would never want to discourage a department from expanding their horizons or their fences when they're thinking. I know that's hard for some people to realize, that there's more than one way to approach a problem.

But I think probably the mistake, as was reported in the media -- it appeared to give department support or an endorsement of some sort to the forum. That certainly wasn't the intention. There was a participation in the forum by one of the assistant deputy ministers, and the forum was attended by some civil servants. But beyond that I don't believe any harm has been done, and I wouldn't want to discourage the members of the staff from exploring new ideas at any time.

MRS. MIROSH: Supplementary, Mr. Speaker. Was this forum or seminar teaching this new technology sponsored and paid by your department?

MR. RUSSELL: No, it wasn't, Mr. Speaker. There seems to be some confusion about that. Again, the way letters went out from the assistant deputy, it did look as if he was a cosponsor of the forum, but that was not the case. The only financial involvement the department had was by way of some registration fees for, I think, seven people.

MRS. MIROSH: Final supplementary, Mr. Speaker. Does the minister anticipate other religious groups wanting to share benefits of their religion with members of your department?

MR. RUSSELL: Mr. Speaker, I'm not sure if it's correct to put a religious adjective in front of the forum, and I'm not sure it's fair to criticize it because it was different. When I heard about it, I looked to see about some of the other people that have been involved, and there are some names of national repute involved in these forums. But no, I wouldn't want to see us get involved any further in exercises of that connotation.

[The Member for Edmonton Mill Woods rose]

MR. SPEAKER: Perhaps the hon. member could wait for the hon. minister to sit down, and then indeed the Chair is only too willing to recognize now Edmonton Mill Woods.

MR. GIBEAULT: Mr. Speaker, to the minister. Does the minister agree that perhaps it would be in the public interest if he would review this matter within his department and look at issuing clear guidelines to senior departmental staff to avoid any appearances of conflict of interest?

MR. RUSSELL: Well, let's get this clear, Mr. Speaker. I don't think there was any conflict of interest or dereliction of duty.

Some of the news media have indirectly, I believe, criticized any apparent involvement of the department in this. It was, I think, a two-day forum, and I don't think there was conflict of duty involved there. Certainly the assistant deputy that was involved realizes very clearly now that it was an error in judgment.

MR. SPEAKER: Edmonton Highlands, followed by Calgary Buffalo.

### Prerecorded Telephone Messages

MS BARRETT: Thank you, Mr. Speaker. I'd like to address my question today to the Attorney General. I was hoping I wouldn't actually have to ask this question this session, but the fact of the matter is that for the last three months a group of people near Red Deer have been operating a telephone automatic message system which I believe is conveying messages of intolerance and perhaps hatred. Would the Attorney General advise the Assembly what steps he has taken through his legal department to curb this particular use of the public telecommunications system?

MR. HORSMAN: Mr. Speaker, the telephone messages in question have been monitored on a regular basis to see whether in fact there was any breach of the Criminal Code or any other law. So far it is the view of those who have monitored the telephone message in question that no breaches of the law have in fact occurred.

MS BARRETT: A supplementary question, Mr. Speaker. I'm sure the Attorney General is aware of the John Ross Taylor case in Ontario, in which the federal Court of Appeal has upheld the original decision on a very similar matter.

Would the Attorney General agree to himself monitoring, given that he is a practitioner of the legal profession, to determine whether or not he, as the highest spokesperson for upholding law in Alberta, recognizes that no law is being broken in those messages?

MR. HORSMAN: Mr. Speaker, that matter is in the hands of experienced personnel who deal with this matter on a regular basis, and it's not necessary, in my view, to personally monitor those telephone messages. I have been kept informed. No breach of any law has in fact taken place, and I therefore don't find it necessary to doubt the words of those who are reporting to me on that subject.

MS BARRETT: Well, a supplementary question, Mr. Speaker. I too have listened to the messages, and I'm not convinced. I wonder if the Attorney General will indicate at what point he will put a stop to this use of the telecommunication system in this way. What will it take for the minister to act?

MR. HORSMAN: When the law is being broken, action will be taken, and until such time as the law is breached, it's not my view that we should step in.

Now, there is an issue here as well. As distasteful as some of the messages may be to the hon. Member for Edmonton Highlands and perhaps to myself, based upon my reading of what is in them, there is still the matter of expression of opinion, distasteful as I find those opinions to be and as I have expressed before in this Assembly and outside. That is something that one

must handle with a great deal of care in a society which believes in the freedom of speech.

MSBARRETT: Final supplementary question, Mr. Speaker, perhaps to the Minister of Labour responsible for the Human Rights Commission. I wonder if in this instance the minister might be inclined to contact the Human Rights Commission to determine if they themselves would like to find mechanisms by which this type of intolerance could be abated.

DR. REID: Mr. Speaker, the Human Rights Commission would certainly investigate any specific complaint that was made on this matter by somebody who had felt that their own rights had been impinged upon. But when one has to dial the telephone number in order to get a response, it's difficult to see it from that standpoint.

MR. MITCHELL: Mr. Speaker, to the Premier. Obviously, the most successful way of counteracting this kind of message and the problem that it entails is to have people properly educated in these matters in our province. Would the Premier reconsider his decision not to establish a commission on tolerance and understanding at this time and work to establish one that could properly address this issue in a broader context?

MR. GETTY: Mr. Speaker, I will once again consider the hon. member's representation for the future.

MR. SPEAKER: Member for Calgary Buffalo.

### Lottery Funds

MR. CHUMIR: Thank you, Mr. Speaker. This is to the Minister of Career Development and Employment. We in the Liberal Party are in fact supportive of the many worthy cultural and sports causes for which lottery funds are being used. However, we are very concerned about the way in which expenditure decisions have been made in the back rooms of the Tory caucus without legislative authority and without any debate or review in the Legislature. I was wondering whether the minister would be able to tell this House how much the government now has sitting in its private lottery pot. We heard a while ago \$110 million. Is it \$120 million? Is it \$130 million? How much is it in fact?

MR. ORMAN: Mr. Speaker, I can't give the hon. member a current rundown. I don't follow it on a day-to-day basis. But certainly if he'd like to make it a motion for a return, I'd be pleased to consider responding to that.

MR. CHUMIR: Well, how astonishing.

Supplementary to the minister. Lottery expenditures have never come before this Legislature for debate, for review, or for questioning. What authority does the minister imagine the government has for spending lottery money since the expenditures are not approved by this Legislature and since neither I nor the Auditor General nor anybody else I have ever consulted . . .

MR. SPEAKER: Order, order. This is a seeking of a legal opinion. And by the member's own understanding of *Beauchesne*, it raises a certain number of difficulties, to say nothing about the matter of a certain civil action which was brought on at least two members of this Assembly.

MR. CHUMIR: Point of order, Mr. Speaker.

MR. SPEAKER: Point of order at the end of question period. Continue with the supplementary.

MR. CHUMIR: Well, Mr. Speaker, it certainly is not asking a legal opinion, and it's certainly not . . .

MR. SPEAKER: Order please, hon. member. Order please. Supplementary question to the minister.

MR. CHUMIR: I see the Speaker is aware of my views on this matter.

If I might ask the hon. minister: how does the government decide what portion of lottery funds is given to the beneficiaries? Is it decided by a caucus committee? Does the minister decide alone? Does he consult a Ouija board? Just what is the mechanism by which it's done?

MR. SPEAKER: The time for question period has expired. Might we have unanimous consent of the House to finish this series of questions?

SOME HON. MEMBERS: Agreed.

MR. SPEAKER: Opposed?

AN HON. MEMBER: No.

MR. SPEAKER: The Chair hears a no.

Orders of the day. Might we revert briefly to the introduction of special guests?

HON. MEMBERS: Agreed.

MR. SPEAKER: Indeed, the Chair apologizes to the Member for Calgary Buffalo. There was a point of order.

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MR. CHUMIR: Thank you, Mr. Speaker. With respect to the sub judice rule, the perception that this is an improper question because the matter is before the courts, the convention that I'd understood this House follows would be that of the convention in the federal Parliament and one which is becoming increasingly followed in the British Parliament.

I would refer to section 337(2) of *Beauchesne*, which indicates that "in civil cases the convention does not apply until the matter has reached the trial stage." I would also refer the Speaker to *Erskine May* -- sometimes referred to as "Erskine and May" -- page 343, paragraph 11, which comments to the same effect in that House; page 378, the paragraph headed "Matters awaiting judicial decision"; and page 429, the second-last paragraph on that page.

This is a matter which clearly has not been set down for trial and certainly should fall within the convention that questions may be asked. In addition to which, I might refer to the principle underlying that particular convention, and as I understand it from paragraph 335 of *Beauchesne*, the intent of that is not to prejudice third parties, not to interfere in proceedings relating to third parties. And this is a matter which involves the government itself and does not have inherent in it a matter of third-party interest.



Insofar as the question of a legal opinion is concerned, I was certainly not requesting a legal opinion of the minister but simply a perception of what authority -- or whether there is any other authority other than that of the normal spending authority in the Legislature through the budget process, which has not been followed in this instance -- upon which he relies. And I believe there is quite a significant amount of precedent for that, Mr. Speaker.

MR. SPEAKER: The Chair appreciates the alacrity with which the member had done his homework and started to quote the various subsections, and so indeed the Chair will take those into consideration after examination of the Blues.

But the Chair also refers back to the hon. member, *Beauchesne*, citation 371. In effect there were also some other matters that were being raised in the hearing of the Speaker as the various supplementary questions were being raised. So the matter will not be dealt with today.

### ORDERS OF THE DAY

MR. SPEAKER: We did indeed have permission of the House to revert to the introduction of special guests, and so the Chair recognizes first the Minister of Forestry, Lands and Wildlife, followed by Edmonton Mill Woods.

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

MR. SPARROW: Mr. Speaker, I would like to take this opportunity to introduce to you and through you to the Members of the Legislative Assembly, 44 grade 6 students. They are from Leduc, the Willow Park school in the Wetaskiwin-Leduc constituency. They are accompanied by three teachers -- a very good friend, Cecil Race, principal of the school, and Mr. Rod Yanish and Ms Pat Ruttan -- one parent, Mrs. Karen Sonnenberg, and a sister of a student, Miss Carla Serna. They are seated in the members' gallery, and I wish they would all rise and receive the warm welcome of the House.

MR. GIBEAULT: Mr. Speaker, I am pleased to introduce to you and to the members of the Assembly this afternoon, 49 students from J. Percy Page composite high school. They are accompanied by exchange students from l'école Charles Lemoine in the province of Quebec, la belle province. They are accompanied today by four teachers, Mr. Aldo Zanoni, Mrs. Beverly Robidoux, Mrs. Danielle Kelly, and Ms Mary Broad. I would ask all of them to please stand and receive the warm welcome of the House today.

MR. CRAWFORD: Mr. Speaker, I move that the questions and the motions for returns on the Order Paper stand.

[Motion carried]

#### head: MOTIONS OTHER THAN GOVERNMENT MOTIONS

213. Moved by Mr. Hyland:

Be it resolved that the Legislative Assembly urge the government to introduce legislation applying to all categories of district hospital boards which would require that board members be elected.

MR. HYLAND: Mr. Speaker, as you are probably aware, the intent of the wording on this motion is very similar to a Bill you yourself introduced into this Legislature on, I believe, May 24, 1984, for elected hospital boards.

Mr. Speaker, since approximately 1973 the province of Alberta has gone to 100 percent financing of operation of the hospital boards, the only exception being, I believe, land acquisition and site improvement when a hospital is being built or renovated that is paid by the local taxpayer. Thus my desire to see that hospital boards are elected so they can report back to the people. That was the intent of raising this motion -- to create debate and to create thought. Is the present system adequate, or should we be looking at total changes in the system or just partial changes in the system towards electing of hospital boards?

Mr. Speaker, we have approximately five different types of hospital boards in the province, the first one being district boards. And under district boards there could be any number of hospitals. It could be either a general hospital, municipal hospital, auxiliary hospital, or nursing home board, or indeed many of the boards are a combination of general, nursing home, and auxiliary in varying degrees, whether all three or just part of them. Secondly, there are civic hospital boards; thirdly, volunteer hospital boards; and fourthly, provincial hospital boards.

As the wording of my motion notes, Mr. Speaker, I have stayed with the category of district hospital boards and haven't broadened it to include all hospital boards, because I know that with voluntary boards there are problems in elections. Indeed, those groups who started those hospitals now appoint people to the boards. Even in that case we can look at percentages, a percentage of the board being elected or appointed by the sponsoring groups and a percentage being appointed by the province. If my research is right on the various approximately 103 hospital boards in this province, of 629 members in total, 354 are appointed and 275 are elected. Now, that doesn't mean that those elected are elected to the hospital board but in many cases appointed from other elected positions, and I'll get on to that later.

Mr. Speaker, I believe that the triggering of elections on hospital boards is part of the Municipal Government Act. By a certain date previous to a general municipal election, the municipality has to pass a motion saying that the boards will be elected. If the municipality doesn't pass that appropriate motion, then automatically the boards become appointed by that municipality. That deals with mostly district boards. Provincial boards naturally are appointed by the province or by Lieutenant Governor in Council. Volunteer boards, as I outlined earlier -- whether they're religious orders or other associations, those organizations appoint the members on that board.

Mr. Speaker, in reading through a copy of a report, Alberta Trusteeship: Strength In Caring, the 1984 presidential paper of the Alberta Hospital Association -- I believe probably all members got a copy of a letter from Mr. Macgregor, president of the association, noting that my motion had been introduced on the Order Paper and urging members to seriously consider it and probably wish it would be defeated. A copy of the letter I received was just addressed "Dear" and left blank. But in reading through this book, on page 7 it notes that between 1966 and 1970 the cost of hospitalization in the province "rose by 76 percent." Now, that's a 10-year period. In the last 10 years over and above that I don't what the cost of the escalation of hospital services would be, but I would think it would be substantial.

During that time to the present time of 100 percent financing, we've seen many changes in fiscal support to hospitals in times of greater financial income to the province. We've seen some

boards attempt to balance their budgets, and we've seen some boards go ahead and spend what they thought was right and run into deficits and the province automatically picked up the deficits. Mr. Speaker, I've said many times in this House in other debates that being on a hospital board for a few years, we tried to balance our budget, but really there was little incentive to balance your budget. If you balanced your budget, nothing happened. If there was a little money left, it was taken by the province. If you didn't balance your budget and didn't pay any attention to the budget, the government or the department picked up your deficit. So what was the driving desire for the board to balance the budget?

[Mr. Deputy Speaker in the Chair]

Then finally -- I think it was about three years ago -- we allowed hospital boards to keep part of any surplus they had and they could use it for programs within their institution. Mr. Speaker, I think that was a great step forward in organizations having a reason to balance their budget, in that if they could balance it and have any left, they could keep that for any things they thought their hospital needed over and above that that any other hospitals would have. In that, along with the fact of having the ability to have user fees in place, which was later rejected by the Canada Health Act, we've seen some dramatic turnaround in hospital budgets that were projected to be large deficits once boards again have a responsibility to answer for their dollars spent. If they would have had to put a user fee forward and then answer to the people who are using that hospital why they needed that user fee -- we all of a sudden have seen most of those projected deficits disappear. The boards went forward and put their situation in order and produced the service inside their budget limits.

Mr. Speaker, I just use those two examples as support when somebody in a position has to answer, as all parties in this Assembly have to answer with their support or nonsupport of various budgets in various departments before us. We answer to the people why we support or why we don't support funding an organization. In this case, when those people had to answer why they needed more money to operate a facility, and they knew they were going to have to explain it, they got the financial matters of that facility in line so they could answer why, if they had to institute a fee, they needed the extra money. I think that's the outlying reason why if people are elected to a board they attempt to -- because they have to answer to the people every three years -- watch the dollars closely. They know that at some point in time they are going to have to answer.

Also on page 7 of the report I mentioned are the four new challenges facing trustees. I draw attention to (d), and I quote: with decreased emphasis on role of trustees in operating, financing was a renewed emphasis on patient or quality of care."

Mr. Speaker, I would think that phrase says a lot. At least I know in my time on a board, even though we had emphasis on patient care and quality of care, we were also concerned about financing and costs. I don't think you can totally cut those off, because what you do with one on emphasis of quality care or patient care obviously affects the amount of money it costs to carry out that organization.

Now, Mr. Speaker, in reading between the lines, one might say I'm intimating that all those that are appointed to hospital boards aren't doing their job. I'm not saying that. Many of those appointed do go to annual meetings of municipalities, and

they stand up and answer questions if there is a question related to a hospital board. They take their positions seriously. I also know there are problems in large metropolitan areas where a hospital doesn't necessarily draw from a specific area of the city; it draws from all over the city or it may draw from the outside area. There are special problems there. But I often wonder if in many cases in large areas we wouldn't be better with -- and it may not be a board with power -- more usage of planning committees of the whole city where all hospital boards are involved so that they know what the other guy is doing. You may get one hospital that specializes in one thing and the other hospital specializing in the other instead of all of them fighting to specialize in everything. Thus we get a certain level of service and specialty but not a higher level of specialty and spread those specialties around amongst all the hospitals.

Mr. Speaker, also in that same report on page 27 is a conclusion -- I think the first paragraph -- and that conclusion I'd like to quote from says it all. Obviously, when you're pouring a great deal of money in, you hope you achieve the result they suggested. I quote the paragraph:

This paper has reviewed the history and role of trusteeship in the provision and management of hospital and nursing home services in Alberta. The conclusion is that if trustees are to be found wanting, they are wanting in the recognition they deserve for the contributions made to one of the finest health care systems in the world.

Mr. Speaker, nobody denies that. I've just said that I commend those people for the time they spend. They give their time freely on those boards.

When I started, I made mention of the debate on Bill 218 that Speaker Carter had moved in May 1984, at which time I spoke on second reading. I think my feeling still remains much the same, in that those who are responsible for appointing people to these boards are not responsible for collecting any of the operational money of these facilities. So there isn't the tieback that I think there should be. The larger hospital boards are appointed often by municipalities in the larger cities of this province that use the larger percentage of the budget. There is no tieback to the province who is paying 100 percent of the operation of that facility except obviously providing a funding to that board, or indeed there is no tieback often from those trustees back into those elected people of the city who have to provide the funding for site improvement, et cetera, on a building project. I may be looking at it in a simplistic way, but I think there needs to be that tie-in. I suppose you can say you always need to report to the people, but we've seen in times gone by that with the removal from the Municipal Government Act of the necessity of annual meetings for municipalities -- previously organizations such as hospitals, municipalities, et cetera, went to these annual meetings to answer questions. I remember the last annual meeting I was involved in in my hometown when I was on the town council; the councillors and the hospital board representatives outnumbered those attending. So we have that problem in our society of reporting to people and getting the information back to people.

Mr. Speaker, when I say the board should be elected, let me outline the boards in my constituency, for example. I take as being elected to these positions those that are elected to other boards -- municipalities, either councillors, mayors, aldermen, et cetera -- and then appointed from that council to a hospital board. I take that as being elected, even though it isn't a direct election to the board as there is in some cases. In my mind

those people are elected, and then they are asked to take additional responsibilities from that municipality and serve on a hospital board over and above that.

The board in Bow Island, for example, if memory serves me right, has only one appointee made from the public at large, and that has been a decision on the town council that stems back to about 1973. The town of Bow Island appoints one member from council and one member from the public on that board. There are two elections, one in the village of Burdett and one in the village of Foremost. For many years these gentlemen haven't been opposed; nevertheless, they stand for election, so there's always that chance. The remaining three members of that board: one is appointed from the town council of Bow Island and two are appointed from the county of Forty Mile. So in that case, out of the six members on the board five are elected, even though it may not seem that way on paper when you look at the appointment versus election. Six of those people are elected.

The Taber board, I believe, is elected from the areas. The Milk River board is a combination. Medicine Hat and District general hospital: their members are elected and appointed. The municipal district of Cypress has chosen the way of electing a member from within their area. There's a member elected from Redcliff, a number of members elected from Medicine Hat, and one person appointed from the county of Forty Mile, who again is a councillor, on that county. Thus that total board is an elected board and it has to report to the citizens. If they don't do what the citizens think is right, obviously there'll be new members on that board, maybe all new members, the next civic election.

So, Mr. Speaker, the reason why I've brought this motion forward is to create debate on it, to hear other people's views. I don't think it is as outlandish as some would suggest. To create debate, you have to have a resolution, and you have to put something in that resolution to deal with the specific issue. If I'd tried to word the resolution to cover what my debate has been, or what I hope my debate has been if I've done it right, it would be very long. This way, the resolution is short and it allows us to debate all sides of the issue: the elected versus a combination of elected and appointed versus a total appointment of volunteer boards in hospitals or auxiliary hospitals and nursing home districts.

Mr. Speaker, I would urge members to seriously consider the motion, give thought toward supporting it, and indeed express their views if they think the election process is wrong where the process reports directly to the people. Make an alternative suggestion how we can get the reporting back to the people, how we can make not only small hospitals in small areas closer to the people and closer to the service, and always remembering that whether we elect or appoint or how we create a hospital board, that hospital is there for the patient. It's not there for the board; it's not there for administration. It's there to serve the residents of our province and to provide a service to them as best we can in their area. It's not a facility or a facade that's put up for the board or for administration; it's put up for people service. Regardless of how we handle this motion, let us all remember that.

Thank you, Mr. Speaker.

MR. DEPUTY SPEAKER: Hon. member for Calgary Glenmore.

MRS. MIROSH: Thank you, Mr. Speaker. I'm pleased to rise to speak to Motion 213 which calls for all district hospital

boards to be elected, submitted by the hon. Member for Cypress-Redcliff.

Although I understand that this might be a desirable consideration in the rural areas, I'm not convinced this is acceptable in the urban areas. As a past board member myself, I recall this being debated to some length at the Alberta hospital convention where all the board trustees throughout Alberta are present. As a matter of fact, this has been a topic of discussion with the Alberta Hospital Association for at least the past decade. This has been an item of concern to members of the Alberta Hospital Association, that their stand has been reaffirmed in 1984 and again in 1987 in the review of the Municipal Government Act. It has been pointed out to me by the president of the Alberta Hospital Association that the AHA most adamantly and strongly supports the continuation of the present system of the hospital board selection. More than 50 percent of district boards were totally comprised of elected members, and 80 percent of all district boards had a majority of members directly appointed from elected bodies such as the municipal bodies. The results of those statistics were obtained by written questionnaires and telephone interviews of the trustees who are members of the Alberta Hospital Association.

Mr. Speaker, as a person who spent eight years on a hospital board, I must relate to the House that there are a great number of hard-working boards of trustees, both elected and appointed. Trustees have had very strong roots in their local community, and have taken sincere and caring interest in their service to the hospital board. They have also been very dedicated and very devoted trustees, whether they're elected or appointed. These trustees serve the province when they are appointed or elected; they come with all sorts of expertise. They are farmers, businessmen, lawyers, aldermen, nurses -- the member across the way has also been a past board member, the Member for Edmonton Beverly. We as government should be very grateful that people with this expertise and qualifications are willing to serve, and indeed they do report to the people of Alberta and to their communities.

These board members are given a very small stipend for their time. They serve on these committees and on the board, and the stipend is set by each board of trustees and usually, at least in district 7, which is now Carewest, the district I served on, they receive \$75 for their meetings. Most of the members returned their money back to the hospital to their fund-raising groups.

ANHON. MEMBER: They're very good people.

MRS. MIROSH: They're very good people; that's right.

I'd like to refer to the Presidential Paper, chaired by a member of my constituency, Mrs. Lois Radcliffe, in 1984. It outlined the *Alberta Trusteeship: Strength In Caring*. The conclusion of this paper was relating to board structures and composition and addressing where they are coming from. It stated the history, the role of trusteeship in the provision and management of hospitals and nursing homes, and the services they provide in Alberta. I'd like to quote from this paper. It says:

If trustees are to be found wanting, they are wanting in the recognition they deserve for the contributions made to one of the finest health care systems in the world.

They are accountable and they do reflect the needs of their communities and the decisions they make.

... the depth of commitment, experience, and training amongst trustees have brought to the Alberta health care scene a renewed strength and opportunity to

reverse the erosion of authority... perhaps the most significant factor in the quality of care for Albertans and enjoys a uniqueness based on a blend of the democratic process of popular election and the appointment of significant Alberta citizens. As such, the future of hospital trustees remains solid during economically trying times and will give cause for greater introspection and forward thinking by these dedicated people.

Mr. Speaker, I support a balanced blend of democratic process, popular election, and appointments, as significant and well-deserving Alberta citizens wish to donate their time to serve on these hospital boards. I feel that if they were only elected officials, this government would have to look carefully at restructuring boundaries. In Calgary, for instance, there are hospitals that are in close proximity to one another. There are active treatment and long-term care hospitals, both of which have very separate boards. There are private and volunteer hospitals. There are two segments of health care boards of trustees, and some of them are scattered throughout the city.

But for the volunteer hospitals such as the Bethany Care hospital it would be very difficult to have an elected board. They are financed currently by the province, but they do donate capital funding. I can't see how these boards could possibly be elected, and these boards also do an excellent job. Motion 213 is a possible threat to volunteer hospitals and interests and perspectives. These boards provide an excellent system, people to the health care.

It would be indeed a difficult task regarding again the boundaries for an election. The hon. member mentioned regional boards. This is a good suggestion, but I think that having regional boards is a good idea to reduce the duplication, as the member mentioned. But I think an element of competition is also healthy.

I think, furthermore, there's a cost factor in elections, running campaigns. It would be very difficult in an urban area. It would be very costly. And I think by doing that we may eliminate some very good people who are very devoted, and current members may not seek re-election. This cost would even be an extra cost to our government. I think also an election would be a severe disruption to the ongoing business of hospital boards while they are campaigning. There's too much at stake to risk. The hon. member shakes his head no.

ANHON. MEMBER: We have to campaign.

MRS. MIROSH: But in the rural areas you're small. A significant amount of time in urban areas would be needed for campaign areas. A lot of time would be needed in the urban areas for campaigning. Elections generally are very expensive to taxpayers. Citizens of Alberta have not expressed any difficulty with the current way the hospital boards are appointed. I haven't received any comments from any of my constituents or people in Calgary who are against the current system. Members, as I mentioned before, are of all political allegiances, even the provincially-appointed members. I happened to find out very recently that we have a Liberal aboard the children's hospital, and I think they're very good members.

Appointment of hospital board members is currently done by local politicians, giving a great deal of flexibility in the Royal Alex hospital here in Edmonton, where I graduated from. The board is appointed by the mayor and city council. And in Calgary the Calgary General, the district 93, district 7, are all appointed by the city council, and they are provincially

financed. The larger hospitals, the provincial hospitals, are appointed by the minister -- Foothills, children's, University of Alberta hospital -- and these have very large budgets. I think they should be appointed by the minister and they should have direct accountability to the minister, and they are very qualified trustees. I think that because of the large dollars, we should have significant input.

In conclusion, Mr. Speaker, I would like to reiterate the concerns expressed by the Alberta Hospital Association, who have a membership of 1,041 trustees...

ANHON. MEMBER: And administrators.

MRS. MIROSH: And administrators -- to leave the blend of democratic process of popular election and appointment of Alberta citizens, strongly supporting the continuation of the present system of the hospital board selection. My colleague for Cypress-Redcliff tells me all the time, "If it's not broken, don't fix it."

The Alberta Hospital Association is concerned about this disruption in the maintenance and the delicate balance of elected and appointed volunteer trustees, and I think this Assembly should support the Alberta Hospital Association. I strongly support their submission.

Thank you, Mr. Speaker.

MR. DEPUTY SPEAKER: Hon. Member for Edmonton Centre.

REV. ROBERTS: Thank you, Mr. Speaker. I, too, appreciate the opportunity to have this motion brought forward and to have the question discussed and debated, as these kinds of thorny questions need to be publicly aired and debated in the Assembly here. Though I can't claim to ever have been a hospital board member, as others have, I have been on a couple of boards that have looked at some concerns for senior citizens, and I know the responsibilities that board members generally have to take on and do so often, as has been said, with great charity and great wisdom.

But among the complications to this question and on this motion, as has been put forward to the Assembly before, and I think it was a Bill 18 by the Rev. Carter and by the AHA in its presidential paper the same year, and the discussions that have gone on at other meetings and the chronic nature of this question, it's helpful I think, for me at least, in thinking about it, to try to separate out two questions that are interrelated but I think it would be wise to separate.

One is the question of whether or not there is more accountability in someone who is elected or someone who is appointed. I think that is at least what appears to be the main thrust of this motion, but I think it is only one part of it and deserves one part of the debate. The other part, though, that's related to it really doesn't have to do at all with whether or not a board member is elected or appointed but has to do more in terms of the future planning, the real policy directions, the funding mechanisms generally, that hospitals are going to be dealing with over the next five, 10, 20 years, and to look more long term at what direction we want hospitals to go in and what direction we want the funding of hospitals to go in.

It seems to me that's a separate question and in fact a more important question, because it's hard to determine whether or not an elected board member would be preferential to an appointed board member, if we haven't in fact settled the second

question of: what do we want hospital boards to be doing, anyway; what do we want hospitals to be doing, and how are we going to be funding them out of the provincial public purse? And in fact I think, despite the fact the question has been an ongoing one, it will now be an interesting debate in Alberta here as there is less funding for hospitals, as we have the cutbacks, as we have a number of hospital board members I've spoken to who have a lot of concern and a lot of frustration with the department and with the lack of funding that's coming to the hospital, and that in fact there's more friction in the system. So this question of whether or not they are appointed or elected, in this day of cutbacks and of downsizing the hospital sector, takes on new value.

But first, just looking at the matter of an election or appointment as in terms of general accountability, as has been said already by the Member for Cypress-Redcliff, I think a lot of us in this forum feel that election is certainly far more demonstrable of the democratic process insofar as we have all arrived here by the elected route. We know what it is to have to speak to constituents, to be forced to go out and hear their views, to have to be in the dialogue with their whole mixture of needs and concerns and to be sensitive to that, and to go out and be in touch and in tune with that; and that if we don't find the ways of speaking on their behalf and raising their concerns then in fact we will be booted out of office and not be re-elected.

As the Member for Cypress-Redcliff has said, with the return to 100 percent provincial funding of hospitals, it seems that the MLAs really become, in many cases, the trustees. How many times have you heard MLAs in this Assembly speak passionately on behalf of the hospital in their constituency? In fact, the board members might have one aspect or view of things, but they certainly get in touch with their MLA in a hurry and want their elected MLA to represent the views here in the Chamber and during estimates and question period and in a host of other ways to lobby the minister on various needs and concerns that they, as the elected person with the hospital in their constituency, have had raised to them.

Similarly there are many MLAs, I'm sure -- and in Edmonton Centre myself where we have two hospitals -- where the defeat of an MLA can often be a real matter of how people are feeling about the hospitals in their constituency. If they're not happy with it, if they're not happy with the funding, if they're not happy with the way it's going, then they will hit their MLAs on the question in the next provincial election.

It was really nice to visit the new hospital in Ponoka on the weekend, and it was good for me to stop in various towns around Alberta, as I often do, to check out and look at their new facilities and the new hospitals. There is a nice plaque on the new hospital in Ponoka, and I'm sure it has the board members and the trustees listed somewhere, but in large letters were the name of the hon. minister of hospitals, who opened the facility, and the hon. MLA for Ponoka-Rimbey, who was there for the grand opening as well. Now, if symbols mean anything to us, this plaque that is front and centre as you are going into this hospital says that these are the two people who have a lot to do with this hospital and they are the ones that are front and centre.

MR. STEVENS: The new one at Banff opens May 29.

REV. ROBERTS: And I'm sure Banff-Cochrane's name will be right up there in neon lights.

But I must confess, Mr. Speaker, and it is interesting to speak to a speaker in a Legislative Assembly on the question of

election or appointment, because my time in the church has taught me that certainly people are often appointed to positions in the church setting and fulfill their responsibilities very well. In fact, in the Roman Catholic church there is very little election of anybody, as either priest or bishop or anything; they're all appointments that are made. And not only is it in the church where people are appointed to various functions and responsibilities and carry them out with great accountability and respect, but also in government. My goodness, how many people do we have in government who have been appointed to their positions; certainly in government departments and in various agencies of the Crown, as well as the Speaker himself, Mr. Speaker, appointed to the position and not one -- at least in this Assembly to date -- that is elected by hon. members, as has recently, I guess, been the case in the House of Commons.

And so despite the fact that elected people might get the boot in an immediate sort of way if they're not accountable, there are often other ways in the system, those checks and balances that each institution has for appointed people to get the boot, too, if they're not fulfilling their responsibilities with the kind of integrity and respect and competency that is needed.

So in a sense there is no perfect world. On this question it seems to me that, as I say, in the church as I've known it, appointments are a very credible way of power being demonstrated and authority, and yet here in the Legislature election is a very important way of demonstrating power and accountability. I guess what we need to look at are the checks and balances in each of the systems and how they function within the peculiar blends of authority and how it's played out.

There does happen, though, to me to be, as I've foreseen it in just a year or so, a kind of abuse in the boards of hospitals whose members are appointed. I just would like to cite a couple -- I must enter them into the debate -- about a city hospital here in Edmonton that I'm told has had board members who have been on the board for well over 12 and in some cases up to 20 years; that in fact these board members have been appointed to the board with no accountability to the public. It's even been recommended by the accreditation committee of that hospital that this hospital needs some more new blood and that there should be some way in which the board members who have been on and represent the status quo for so long really need to be turned over; that in fact a period of 12 up to 20 years for the same board members citing the same concerns and documents -- in fact I'm told that even the accreditation committee, as I say, has recommended that there needs to be some new blood on the board. So it seems to me that term of office and length of term of office is a very important factor and is more of a problem with those who are appointed than those who are elected, at least so I'm told.

A second abuse or concern with appointed members is -- I think as the Member for Calgary Glenmore has already alluded to -- the kind of politicking and political patronage that can go on with some who are appointed board members. We have certainly the powers that be in the Conservative government and they want to have people on their boards who are going to think along the same lines, be off with their same friends at their golf courses and at their clubs. They can talk to them about matters of the way we want policy to be directed, and so it would be nice to have these people appointed there whom we can see eye to eye with.

In fact, this came glaringly to me, Mr. Speaker, as I got leaked or handed a letter that was sent from a board chairman of an Alberta hospital to the Minister of Hospitals and Medical

Care. At the bottom of the typewritten letter was a PS. and it said: "PS: Marv, we must settle this question sooner than later. We don't want the Opposition to make any more points on the matter." It seemed to me that that was a rather glaring admission of the fact that there was this sort of collusion going on, and that the hospital board chairman really didn't want the opposition to make any points on this dispute. Well, I was most concerned that that kind of collusion, that kind of collaboration is one that . . .

MR. M. MOORE: Mr. Speaker, on a point of order, I rise under the Standing Orders to request that the hon. member table the letter in reference.

MR. DEPUTY SPEAKER: Edmonton Centre.

REV. ROBERTS: Thank you, Mr. Speaker. I certainly can table that. I've got it in my possession.

AN HON. MEMBER: Now?

REV. ROBERTS: Right now? I can't table it right now. If that was a standing order, I wish the minister had had to table last week in terms of the opposition wanting to close rural hospitals, of which there's been no . . .

MR. DEPUTY SPEAKER: Order please. Is the hon. Member for Edmonton Centre saying he would agree to table such a letter? If so, perhaps it could be done at his earliest convenience. Edmonton Centre.

REV. ROBERTS: Absolutely, Mr. Speaker.

Boy, I certainly hit a sensitive nerve there. But I think the point I again want to stress, Mr. Speaker, is that these abuses that can go on seem to be able to go on particularly when there are appointments, when there's this sort of patronage and the status quo that can go on with people who are appointed.

But honestly, we must confess that these kinds of abuses can as well go on with members who are elected. There can be a certain abuse or a working of the system by people who are very skillful at the electoral process. So again, as I say, there's really no perfect world, and though we need to examine, as we can today, the pros and cons of the question, it seems to me that on this particular question it's inconclusive.

So let me get back to what I feel is the real heart of the motion, which is the real question about 100 percent provincial funding of hospitals and no local requisition of funds; that the role of the trustee really has taken on some new dimensions. At least what we need to locate is where the real power is in the system, where the real authority is. Who is going to be most accountable for the bottom financial line? Who is going to be most accountable for the patient care line?

Again, I think this is a very important question in the downsizing of global budgets and the downsizing of funding for hospitals. It's becoming a very acute concern when the government cuts back its funding. Certainly doctors have to deal with medical malpractice suits, because if things go wrong in what they have responsibility for they could be sued for malpractice. We already have the Bill before us about hospital liability insurance, and that liability insurance is one that hospitals really need to protect themselves for the bottom line. I really wonder what is the bottom line for the Department of Hospitals and Medical Care in terms of its responsibility for being the 100 per-

cent funding agent. I guess the bottom line is that it's going to be voted out of power or that the electorate will rise up against the minister and the government for supporting 3 percent and 7 percent cutbacks.

So given these various levels of responsibility, again we have to get back to the real hospital policy question: where does the department want to go, not just this year in terms of its fiscal plan but five, 10, 20 years from now? Does it want in a sense, in one option, to have a block funding system? Say, "Okay, northeast Alberta, here is a pool of money, here's a block of funding which you can have, and you can have your locally elected people divvy up the funds or look at the rationalization of the funds and look at the co-ordination between the different hospitals that you have for the best use of this block funding in your particular region."

I know I've heard over and over again here in the city of Edmonton that the Edmonton area regional hospital planning committee is the only one of the few bodies at least that looks at the number of different hospitals in the city and tries to come to terms with what would be a more rational, more co-ordinated approach to the use of the various amounts of money all the hospitals in the city share. What we have instead is a very weak body there that has really no mandate. The various other hospitals say, "No, we want the pediatric beds," and this other hospital says, "No, we want the pediatric beds," or whatever. So there's a great deal of competition and a great lack of rational and co-ordinated planning.

Or do we want to have total provincial control? I mean, with the 100 percent funding agent the minister has to make the real trade-offs and the cutoffs: who's going to get what and on what basis. So are we going to have total provincial control in the long term and therefore have locally appointed people who could well serve to keep an ear to the ground and aren't going to have to bear the brunt of the decisions made at the Hys Centre here in Edmonton but will be there to help to see what the real needs and concerns are more on a management sort of level?

So, Mr. Speaker, it seems to me that the real question is where the department wants to go in terms of its funding of hospitals over the long term, and that this will be the key decision in terms of whether the board members therefore will be appropriately elected or appropriately appointed vis-à-vis the overall departmental thrust in policy. I myself am still very open on the question and, as I said, appreciate the time to discuss the matter as it's been raised by the Member for Cypress-Redcliff. But as I say, I don't think it's a question of whether someone is more accountable if they are elected or if they are appointed. The real question is a policy question, particularly in these times of cutbacks and downsizing, and I would be interested in the real laying out by the department of "Yes, this is where we want to go five, 10, 15 years from now."

I myself, Mr. Speaker, would be interested in exploring this block funding approach. In fact, someone told me that it was a policy of the Socreds way back, that they had a way in which the various hospital regions; were the real authority in terms of the co-ordination and the divvying up of the block funds which came from Edmonton. It seems to me, as I've experienced here in the city of Edmonton with the various hospitals all competing for interest, for programs, for beds and personnel, that in fact a lot more of the common good could be served if there was a board that could oversee all of the funding and could help to rationalize the spending and use of the dollars that were available. And this in fact would provide much greater incentives for the use of those dollars to be spent wisely and in a very co-

ordinated fashion that had economies of scale to it and incentives to further sharing and further co-ordination.

So as I said, Mr. Speaker, the key question is a policy question that needs to be settled by the department. It needs to be set out for a five- to 10- to 20-year plan, and until that is forthcoming it seems that this other question is useful but is premature.

Thank you, Mr. Speaker.

MR. M. MOORE: Mr. Speaker, I rise on a point of order under section 23(i) of the Standing Orders, which refers to an hon. member imputing "false or unavowed motives to another member." The hon. Member for Edmonton Centre in making reference to a letter from some hospital board member -- and I haven't seen a copy of it yet, and that's why I wanted it tabled in the House -- suggested that the notation at the bottom of that letter, which he had quoted, somehow or other was something I had colluded in with this particular hospital board member. Those were the words, as I recall, that the hon. member used.

I think under the circumstances, not having seen a copy of the letter -- I don't know whether an apology to the hospital board chairman in question is in order or not, but certainly one with respect to the motives that I as minister of hospitals might have had is in order because I recall not receiving such a letter. I may well have, but in any case there was no question at all, Mr. Speaker, about my having colluded with any board member in such a letter or a notation.

REV. ROBERTS: On a point of order, Mr. Speaker, I'd like to examine the *Hansard* record. I believe I said that I wonder if this kind or if there is a certain kind of collusion that goes on. I was not certainly imputing to the minister or to the board chairman that in fact they were out to collude. It did raise that question in my mind if there is collusion, and I did think I used the word "if." If I did not, then I certainly apologize to the minister. I did not have any evidence that he was colluding, but it did raise that question in my mind.

MR. DEPUTY SPEAKER: Hon. Member for Calgary North West.

DR. CASSIN: Yes, Mr. Speaker. I'd also like to speak to Motion 213, and I support the intent and the goals of the mover of this motion, the Member for Cypress-Redcliff.

I appreciate, Mr. Speaker, that this particular topic has been discussed over the last 10 years at various levels, both with the Alberta Hospital Association and by other members of this House. I also am aware of the very valid points that have been made by the Alberta Hospital Association: that the present system is working very well, and if it's not "broke" perhaps we should leave it alone. But I have to also conclude that this problem would not be recurring unless there was an uncomfortable feeling or some concerns about the total administration of our hospital boards. I think it's perhaps important that we look at this somewhat further and look at the concerns and the question about the regional or the district hospital board.

In view of the time, however, I would move that we adjourn the debate at this time.

MR. DEPUTY SPEAKER: It's been moved by the hon. Member for Calgary North West that debate on Motion 213 be adjourned. All those in favour, please say aye.

HON. MEMBERS: Aye.

MR. DEPUTY SPEAKER: Opposed, please say no.

AN HON. MEMBER: No.

MR. DEPUTY SPEAKER: Carried.

214. Moved by Mr. Musgrove:

Be it resolved that the Legislative Assembly urge the government to develop programs which would promote vendor participation in financing.

MR. MUSGROVE: Thank you, Mr. Speaker. It is my pleasure to bring to your attention Motion 214.

It's a very good time in the history of Alberta to get involved in this type of program, Mr. Speaker. I say this because times have changed dramatically in the past few years. During the boom years in Alberta anyone retiring or wanting to invest some money could get a better rate of return by taking out a term deposit in the bank than you could get out of investing it in any other business in Alberta. During those years inflation controlled the economic climate.

Mr. Speaker, just to give you an example of an experience I had, in 1978 a real estate salesman contacted me and tried to sell me \$1.5 million worth of farmland -- far more than the productive value would justify. He said that if I would agree to buy it, he would guarantee to buy it back in five years with an increase in the price of 50 percent. At that time, as a family, we could have got a melded interest rate of about 15 percent -- that is, using some part of the family as a beginning farmer -- and with a guaranteed increase in the capital value and the interest at 15 percent, it sounded like a good deal. But we did a lot of agonizing over it, and we turned it down, because to recover 5 percent out of this property in production didn't pencil out. Last year I met this real estate salesman and asked him if he was not happy that I had turned down his proposal. He said the present sale value of that land is worth about \$800,000, about \$1.4 million less than his 1978 projection. If I'd agreed to his proposal, it would have broke both of us. This is just an example of the way people thought about investments at one time.

Today, Mr. Speaker, inflation is not going to bail out any investment. Also, the return on a term deposit has changed dramatically. Today is a prime time to initiate some encouragement for vendor financing. Some of the proposal would take co-operation from the federal government. The simplest vendor financing program that I could think of would likely be in agriculture. However, it could also include small business, and it could possibly include some vendor financing in the housing program.

[Mr. Payne in the Chair]

One of the things that we could do is guarantee a portion of the vendor's risk, rather than loaning money through our provincial loaning agencies such as the Agricultural Development Corporation or Alberta Opportunity Company. I've had it suggested to me that we do an appraisal of the productive value of a piece of property and guarantee loans of, say, up to 80 percent of the productive value. As an example, for easy figures, if a retiring farmer were to offer for sale a farm for \$100,000, if the productive value -- and that is an appraisal of the amount of money that that property could produce to pay off the loan -- was \$80,000, then we would guarantee 80 percent of \$80,000, which would in fact have us guarantee \$64,000. The vendor

would be at risk for the balance, unless it was paid as a down payment. Perhaps we'd only guarantee a percentage of the loan, regardless of what the down payment was, to a maximum of the percentage of the productive value. Any amount over and above the guarantee would be through an arrangement between the buyer and seller.

When the vendor is responsible for some of the risk, he will be careful who he sells his property to and that the price is within the buyer's ability to make payments. In other words, there will be some initiative for the vendor to see that there is a responsible sale to a responsible buyer. Now, we need to offer some incentive to the vendor to get him to agree to this kind of a deal. The first incentive is that term deposits don't give the return that they used to, so it's an incentive for a person to do something else with their money. We could, in co-operation with the federal government, do several things. For instance, if the vendor was prepared to agree to less than normal lending institutions' interest rate, we could give him a tax benefit on the interest he does charge. This could be done on a graduating scale, so the less interest he charges, the more tax benefits he gets. This would cause us to collect some less income tax, but it does take a lot of the risk out of public money being loaned, and it could be a lot cheaper in the long run.

Our capital gains laws have changed quite a lot in the last few years, and it may not be as important to many people as it was at one time. However, if a person was subject to capital gains tax, we could arrange that if he sold a piece of property and was taking some risk over 20 years, he could pay the capital gains tax on an interest rate over 20 years. This would certainly be an incentive to him to use vendor financing.

Mr. Speaker, there also should be some mechanism in the arrangements to allow the vendor, in case of default of payment -- instead of the guarantor taking up and paying out the loan, the vendor could reclaim the property. In these cases it would probably be where the vendor was taking a higher risk than the guarantor was.

In February 1986, Mr. Speaker, Unifarm had a proposal for vendor financing that had some good points to consider. The recommendation is that 90 percent of the outstanding principle be guaranteed, 10 percent higher than what I was recommending. One of the recommendations is that in case of default the vendor could repossess the property or else he could restructure the loan over a longer period of time. This is a good vehicle to pass a family farm or small business on to the younger generation, with some guarantee to the seller and a lot less risk to the province than using our loaning agencies to pass these businesses on.

Mr. Speaker, there are different forms of vendor financing throughout the world. Manitoba has a program with several options. One of those options is that the province would guarantee a portion of a 20-year private mortgage for the first 10 years and then pay out the vendor after 10 years. This has some merit from the guarantee's point of view, because after someone has made current payments for 10 years, a lot of the risk is gone. The state of Minnesota has a program that deals with vendor financing with options other than the ones we have suggested. For instance, they have a vehicle to defer payments for the first few years of a mortgage. This allows the farmer or businessman to get his business established without being burdened with high payments. It allows him to operate without having those payments to curtail him the first few years.

Mr. Speaker, in September 1986 the Farm Credit Corporation printed a proposal on vendor financing. They were suggest-

ing guarantees for mortgages by private individuals. Both Unifarm and the Canadian Farm Credit proposal are suggesting that there should be an insurance policy to cover nonpayment of loans. Now, I can understand their having a life insurance policy for the borrower to cover nonpayment of loans in case of death or dismemberment or something, but I don't understand insurance for nonpayment. It would be my inclination to believe that this would be a very costly insurance. In that case, I would not recommend it, as we're looking for lower costs of loans, not higher costs.

Mr. Speaker, I believe there are a lot of benefits in looking at vendor financing, both for the vendor and the buyer, without putting a lot of public capital at risk and without costing us very much money, if any. One comment I hear fairly regularly is that we should not do anything that will increase land prices, particularly beyond their productive value. I believe that if we adopt and support vendor financing, it will not increase land prices and would probably hold them at their productive value.

In closing, I would like to say that this does not help the farmer or businessman that's in financial trouble right now. One way we could help some of these people is by encouraging equity financing similar to the rules I have suggested for vendor financing. In other words, if a person wants to buy an equity in someone's business at a better than normal rate of interest and take a portion of the risk, we could encourage it with some kind of incentive and get some moldy money back into circulation.

Mr. Speaker, there's another type of investor who could assist financially those who may or may not be beginning farmers, and that is referred to as an agriculture investment certificate. The certificates could provide the means by which investors, if they want to, could convey benefits to specific borrowers. This has some similarity to the United States agriculture production program. Mr. Speaker, there was a time when there were no public loaning agencies, and there were at the same time very few commercial loaning agencies who were prepared to take risks. Therefore, vendor financing or equity financing was the way most used to exchange property. I don't think we should go back to that extent, but I do think we should give some initiative to private participation in financing, because I believe it is good.

Mr. Speaker, I hope the members will support this motion.

MR. PENGELLY: It's a pleasure to join in debate in support of Motion 214, proposed by the hon. Member for Bow Valley. I cannot emphasize too strongly that we must be ever mindful of the primacy of the agriculture industry in the province, even though the province is unique in the energy field in having an abundance of not only oil and gas but also coal. We must be continually reminded that agricultural land is one of Alberta's greatest natural resources, hence all the more need for a financing scheme which will help farmers continue to help it remain so.

One of the results of the current farm financial situation is that liquidity, or the ready conversion to cash, is almost nonexistent in the agricultural land market. Farmers who are dying to get out of the industry or are wanting to refinance farm debt are finding few opportunities to do so as far as vendor financing is concerned. Sons, daughters, sons-in-law who would like to farm find it difficult to obtain adequate financing, as some lending institutions are reluctant to finance farm ventures at this time. As an alternative to these lending institutions, when possible, new farmers are arranging privately financed mortgages. Private individuals have continually been involved in the exten-



sion of credit to farmers, most often to these sons and daughters, and they should be further encouraged to do so.

Vendor financing is a proposal that would assist and enable farmers to sell their land and provide financing with a minimum risk to the seller. The seller, or vendor, in most cases would be a retiring farmer who carries the purchaser by either an agreement for sale or taking back a mortgage. Currently there are many real estate transactions, especially between related buyers and sellers, that would fall into the category of vendor financing. Mr. Speaker, the objective of vendor financing is to provide farmers an alternative source of long-term credit for the transfer of farms at stable, lower interest rates without the need for any subsidy from the public sector.

Mr. Speaker, the motion urges the government to develop programs for farmers of Alberta to enable them to take part in a vendor-financed guaranteed mortgage. By minimizing the risk of default, the cost of credit could be reduced significantly. It is assumed that a guarantee would encourage more retiring farmers to extend credit to those wishing to buy farms. Vendor financing would expand the amount of reasonably priced credit available to farmers, including beginning farmers. It would also reduce interest rates to below market rates because of the guarantee and lower costs associated with financial intermediation or intervention.

Finally, Mr. Speaker, vendor financing would provide opportunities for retiring farmers or those with surplus cash to retain secure investments in agriculture. And again, each loan secured by a government commitment would provide protection to a farm vendor or a private investor. To repeat, this would reduce the cost of credit to farmers, with no direct interest subsidy to the government.

I would urge all members, Mr. Speaker, to support this motion sponsored by the Member for Bow Valley.

MR. DOWNEY: In rising to support the motion from the Member for Bow Valley, I thought it might be useful to start off by giving a little background on how we got where we are today in terms of the overall farm credit picture.

Prior to the 1967 Bank Act, chartered banks had no mechanism or authority to take mortgage security over farmland. Consequently, their interest in providing long-term credit to farmers was limited, to say the least. Chartered banks did not really enter the field of agricultural lending in a big way until the early 1970s. There were a number of reasons for this. It had taken them a certain amount of time to assess the marketplace in light of the new Bank Act accommodation and also because of their limited previous experience in that market. They also had to develop policies and programs to fit the new realities.

At about the same time, Mr. Speaker, the Alberta government brought forth the Alberta Agricultural Development Corporation. Initially providing only guarantees, it provided comfort to conventional lenders, not only because of the guarantee but because it was a statement of commitment by government to support agriculture.

The farm lending portfolio began to expand, the most significant expansion in several decades. In 1973 international grain prices began a sharp upward movement. In less than three years wheat prices had quadrupled in Canadian dollar terms. Suddenly the farm economy was awash in money. A period of unparalleled prosperity and optimism lasted for several years. Farms expanded, farm supply and machinery businesses prospered, and levels of farm and farm-related debt rose to unprecedented levels. We know now that the rural economy was

overheated. And like the day after a euphoric evening, we have a hangover. Like a hangover, the best way of dealing with it is to work it off. Lying back in our chair with aspirin and ice packs only prolongs the agony.

Mr. Speaker, before the easy and eager access to credit of the past 15 years, various forms of vendor financing were the rule rather than the exception in the intergenerational transfer of land and farming assets. A family farm was truly a family operation, and the vendor parent often stayed involved for many years, overseeing the orderly transition to the new generation. There was and continues to be a great deal of merit in such a practice. Granted, farming technology and practice has changed rapidly in recent years, and dad may be a little out of date. But speaking as a dad who will soon have to deal with this very issue, I feel I could contribute a great deal to the success of my son's operation should he prove foolish or brave enough to want to farm. My first advice to him would be to approach borrowing with extreme caution. Purchase liquid assets first to give yourself an out, buy the cows before you build the barn, and don't expect to have it all at once.

Mr. Speaker, I believe there is an untapped source of patient, sympathetic capital in rural Alberta. Vendor financing between family members still occurs and will likely increase during this period of financial stress and adjustment. But to really tap that pool of rural capital and to facilitate arm's-length transactions, there are a number of initiatives the government should consider. The Member for Bow Valley has outlined a number of proposals which have come from various bodies, so at the risk of repeating some of those, I'll carry on with three areas of initiative that I think this government should seriously look at to facilitate this method of financing.

[Mr. Gogo in the Chair]

The first, of course, would be to guarantee a portion of the vendor's principal. I suggest that this guarantee should not exceed 75 percent of sale price or productive value, whichever is less. The vendor, depending on his personal requirements, can require a down payment be made outside of his mortgage agreement. Secondly, Mr. Speaker, the government should look at the idea of allowing all or a portion of the interest revenues to be tax exempt to the vendor. This would allow a lower rate of return to be equally attractive. Thirdly, and I believe this is an important one and possibly part of the reason why vendor financing has not caught on, in the event of default the government should look at providing a service to the vendor so that he does not have to deal with the purchaser directly, unless he chooses to, and full cost recovery could be achieved for this service.

Mr. Speaker, I see some potential hang-ups with credit and guarantee approvals, and these would have to be dealt with. But considering the money that this government is now spending in support of farm financing, I believe we must carefully assess and encourage all means of facilitating financing by sellers.

Mr. Speaker, that is the intent of the motion before this Assembly, and I would ask that all members support it.

MR. DEPUTY SPEAKER: Hon. Member for Edmonton Highlands.

MS BARRETT: Thank you, Mr. Speaker. In speaking to Motion 214 as sponsored by the Member for Bow Valley, we in the Official Opposition find merit in it. I recall, as a matter of fact,

that the late Leader of the Official Opposition, the Member for Spirit River-Fairview, Grant Notley, talked about this sort of possibility on many an occasion in this very Assembly, and that consideration has continued in the ranks of the Official Opposition and particularly with our agriculture critic, the Member for Vegreville.

One of the reasons that it was originally considered an important idea was not in the period when, shall we say, the bottom started to fall out of both land prices and subsequently out of grain prices, but in fact under consideration of the escalating land prices, which was particularly pronounced prior to 1984. The reason is that some farmers found it very difficult to go to the ADC or to their local banks to acquire the size of money that would be necessary to purchase additional agricultural producing properties or, in fact, new properties for the purposes of production. In some instances, they were being coaxed into borrowing more than they wanted to, not just for the land but also for capital assets. In some instances their ability to supply collateral or other effects of faith to the loan was insufficient and therefore didn't pass the scrutiny of either the banks or the ADC.

Since then, what we've seen, however, is that the ADC itself, an agency of the Crown, has been rather less than sympathetic to the bust part of the cycle that has since descended on Alberta, not just rural Alberta but all of Alberta, which has resulted in what we believe are more than regrettable foreclosures, to the effect of hundreds of sections of land which are rendered unproductive because their previous owners have been thrown off those sections. Now, it could be a coincidence that with the decline in the grain prices, this might not be a bad idea in the overall macro sense of the agricultural picture, because the less grain that is produced, the chances are the higher the prices that will accrue to it. But that's not the way of thinking of the New Democrats, Mr. Speaker. We don't believe that that coincidence is anything to be joyous about, and whatever measures we could take to ensure that our land is being productive are measures that should be seriously considered by the Assembly.

The advantage to vendor financing in our perspective -- aside from the fact that it would help promote the sale of land to bona fide farmers and particularly family farmers, which we think is very important in terms of maintaining a rural population and all that goes with that -- is the additional effect of keeping the interest here in Alberta, which would by and large occur if we were to develop mechanisms to promote vendor financing. During the period which is commonly called the boom years in Alberta, particularly from 1974 to 1982, the value of land escalated tremendously, and the banks were only too willing to lend an awful lot of money based on the land value escalations and also on the speculative aspect of that property changing hands. They made good money on the interest rates as well, which you will recall went as high as 21 percent in one year. That money, because most of our banks are national banks, was not necessarily used in Alberta, didn't necessarily stay in Alberta, and although there are conflicting studies, I think the case can be made that more went out of Alberta than came into Alberta. The advantage of vendor financing is that it's actually a form of local investment; that is, Albertans investing in Alberta.

I don't think the motion itself would be sufficient, and I don't think it was understood that it would be sufficient, to be a stabilizer for the agricultural producers, particularly with respect to their properties, without some concomitant commitments from the government. I'm thinking particularly, Mr. Speaker: some months ago the Manitoba government passed a motion

and established a committee which would oversee the foreclosure actions of institutions on productive agricultural land. Now, they were unable to convince the federal government to change one section of the Bank Act which would force the banks into complying with the stated objectives of that motion, which would be to basically vet foreclosure procedures through a board established by the New Democratic Manitoba government. Now, it could be that eventually, if this Assembly passes this motion and does indeed develop the mechanisms that are implied in this motion, maybe we'd have another province or two telling the federal government in Ottawa that it's time we started sticking up for the little guy and not just for the interests of the banks, and that is a pun, I suppose.

In any event, we need also to strengthen our internal procedures here in Alberta with respect to foreclosures as commenced -- and completed, in fact -- by the ADC. If our real interest is in stabilizing our agricultural economy, then we should take what steps we can internally to that end. It's not going to be easy to manipulate international grain market prices to help stabilize, and we have no way to project at what point they will come to at least match the input costs faced by the farmers. So what we need to do is look in our own house and see what we can do that would help stabilize this extremely important industry.

Some of the other members speaking to this motion pointed out that there are ways of promoting this type of motion, one of which is varying versions on a theme, the theme being provincial guarantees. I think that is an important way to look. It was pointed out that the Manitoba government has in fact instituted such a policy. This policy in fact offers an incentive; that is, a guarantee for a 10-year period in which the vendor herself or himself is not left strictly to the ultimate negotiations between herself or himself and the purchaser -- in other words, a loan guarantee. This government has been more than forthcoming in loan guarantees to the other major industry in Alberta -- that is, the oil industry, or the energy industry -- particularly when it's come to the more risky sorts of developments, and I do mean tar sands development or other types of development. It may not come through, for example, in the Lloydminster instance; we don't know. But it seems to me that if we're willing to provide loan guarantees on the basis of (a) projections which indicate that they are sound and (b) faith in the particular industry and (c) a willingness to match the risk of the businesspeople who are engaged in the direct activity of production, then we should be able to do that for what is undoubtedly, inherently, and in the longer term the much more stable and enduring industry; that is, the one which is not going to face certain depletion, the one which is renewable, and that is agriculture.

Whether or not the interest revenues accrued by the vendor should be subject to special tax exemption I suspect would have to be worked out with the federal government, because I believe that it's Revenue Canada that determines the tax exemptions. But it's very possible that if western Canada, particularly the agrarian section of this country, were to pass motions and devise legislation which would promote greater stability in the short and in the long term for our agricultural producers, perhaps we could exercise some clout in Ottawa.

So in conclusion, Mr. Speaker, I'd like to reiterate that this idea has been discussed and has been as a matter of fact the subject, I believe, of resolutions within the New Democrats over a series of years, and we're pleased to see it come forth on this occasion. But we caution that the passing of this motion, and possibly legislation and regulations which might ensue, would not by itself guarantee the stability. It's a good step. It's a good

measure, but we remind the Assembly that there are other measures that we can take; that is, encouraging our federal counterparts to adjust the Bank Act and to change our attitudes within the ADC, especially when it comes to foreclosures and what we do with that land once it's left unproductive and empty and what we do with the unemployment that is subsequently created.

Thank you, Mr. Speaker.

MR. DEPUTY SPEAKER: Hon. Member for Lloydminster.

MR. CHERRY: Thank you, Mr. Speaker. I'd like to start by quoting a classified ad that was published in a great Depression era newspaper. It read:

For Sale: 800 acres highly improved stock farm, located on Pelletier Creek. Would sell on cash instalment basis. If interested please contact Fred Hearsey, Duncarm, Saskatchewan. Please note, I might be tempted to trade this farm for something really useful, say some white mice or goldfish.

This Depression sentiment of land that was seemingly of no value has a familiar ring half a century later. That is why this motion proposed by the hon. Member for Bow Valley deserves the consideration of this House. We can never say enough times how vitally important the agricultural industry is to this province and to this nation. It necessarily follows, Mr. Speaker, that we must continue to have new farmers come into this vital industry of ours.

[Mr. Speaker in the Chair]

Unfortunately, young farmers in this decade have faced some very tough conditions as they began to farm. I think we all can look back to the late '70s and into the early '80s, when land prices escalated, credit was there, and everybody thought that the balloon was never going to break. Here we are today with that air gone from the balloon, and many, many of our young farmers are facing these very, very difficult times. A great number of young farmers have lost their land altogether and, of course, are going into the urban areas to find work. I think one of the things we have to realize is that we must protect the young farmer today, because if we don't, where will we be 30 to 40 years from now?

We can look back, as I said, to the late '70s and early '80s, and everyone thought that it was never going to drop. I know that in our own area where I come from, the great constituency of Lloydminster, one of the finest, land prices in that grain belt were trading at up to \$1,500 an acre in the late '70s and early '80s. Some of the folks that penciled it out and said it would never work are today probably the best off. But the ones that did pencil it out and thought it would work are finding very, very much difficulty in trying to pay that debt load back. In a lot of cases, there's no way in which they can.

Mr. Speaker, any farm in itself has been and possibly will continue to be a wonderful way of making a living, if I can say that. If you look at it as a family, I don't think there's any better way of raising a family than on a farm. I certainly didn't farm all my life. I came there when I was in my late 20s.

MRS. MIROSH: A year or so ago.

MR. HYLAND: A long time ago.

MR. CHERRY: A year or two ago.

In our family we had four youngsters, and it was a wonderful way to raise them. Of course, they've all flown the nest and are on their own today. So I think that some of the benefits are not monetary, that you have to look at the type of life-style you want. If I was to go back again, I wouldn't trade it for all the things in this world, because it is such a wonderful way. Mind you, as I said -- and I want to reiterate -- you make very few dollars in some cases, but the other wealth is there.

As a member of the Alberta Agricultural Development Corporation Review Committee, I heard a lot of alternative financing schemes explained and suggested, and vendor financing was one of these schemes. The vendor financing concept is one that already exists in an informal, mostly interfamily way in this province. Actually, I was somewhat surprised by the extent of private financing and also of its long-term nature. If we go back a couple of years to 1984, 17 percent of the long-term credit extended in 1984 in Canada was by private individuals.

I think that what we have to weigh in considering the vendor financing concept, Mr. Speaker, is whether it is truly a benefit to institutionalize what is already going on informally. Would we be able to assist more farmers than already use this option? How expensive might it be for government guarantees to be put on? Vendor financing doesn't aid the farmer who already is tied to long-term financial difficulties. Perhaps the government should make those farmers a priority in any aid package; I'm not sure.

At the same time, as I mentioned at the beginning of my remarks, we do have an obligation to provide an atmosphere which will allow young farmers to have a more stable start in the industry and not push them out before they have a chance to establish themselves. I would certainly like to go on record and say that over the past 14 years, the way the government financed the agricultural industry, I for one am certainly not condemning them, because those were the times and those were the judgments made. Perhaps if I had been in the Legislature at that time, and in the government of course, I would have made the same decision.

What I'm trying to say, Mr. Speaker, is that I don't think we can look back, but we have to look forward. That's why, in concluding, I commend my colleague from Bow Valley for bringing this motion forward, and I certainly hope we will have a good long discussion and a good hard look at it.

MR. SPEAKER: Edmonton Kingsway.

MR. McEACHERN: Thank you, Mr. Speaker. I just wanted to make a few comments and raise a few questions, and basically speak in favour of Motion 214. It is a reasonable idea and one that our party has talked about before.

One of the basic assumptions here is that there would be either a certain amount of government money put in or taxes forgone, as one of the earlier speakers suggested. So one might just say: well, gee, I thought this \$2 billion, 9 percent program of the government was supposed to be the be-all and end-all for farmers and small businesses -- you know, the farm credit stability program and the small business term assistance Act -- so why not just increase the benefit by 3 percent and lower the rate to 6 percent or something like that?

I think maybe there's some reason not to suggest that those programs are the be-all and end-all. One of the things that bothers me about those programs is the degree to which they are supportive of the banks; the 2.375 percent interest margin, for example. And some of the guarantees actually are to the banks,

not to the farmers or the small businessmen, as the case might be. So it would seem to me that this idea of vendor financing would have some advantages over that. We would be bypassing the banks, in effect, and be helping one generation to pass on their business or their farm or their house, I gather, because that was also suggested by the member that introduced it; it might even be included in the idea. So the vendor participation in financing, Mr. Speaker, has a certain amount of merit.

I suppose you'd have to ask the question, though, that if you start doing that, what about the farmer that doesn't have a son to pass it on to or the son or daughter that doesn't want to take up the parent's farm? You might say: well, why shouldn't that man also participate in a similar kind of scheme? Or some young man wanting to get started whose dad doesn't happen to have a farm or doesn't want to pass his farm on at that stage: why might he not be able to get in on a similar kind of scheme?

So if you start thinking that way, then it seems to me you're almost thinking of some kind of form of land banking, and I think the government has to, if they start moving in this direction, consider those questions. The same, of course, if you start applying it to businesses. It might get a little out of hand, and you might find yourself financing Imperial Oil's takeover of some smaller oil company or something. So obviously there would be some limit to the extent to which you could extrapolate the idea.

Again, with housing, if you're talking about the parents wanting to leave the house and pass it on to some close relative, it doesn't sound like it's all that bad an idea. But on the other hand, if you start talking about somebody having several houses and wanting to get involved in passing them on to a number of different people -- in other words, speculative property -- why should the government get involved in handling that? So obviously there would have to be some real limit in the scope to this, yet you would have to stop and think what limits are fair and how far you should go with it.

One of the previous speakers also talked a bit about the boom and bust, a little past history, particularly in the agricultural industry, although the same thing occurred in the business world as well and in fact in the housing industry. I'd just like to point out that this government got very much involved in that boom and had quite a lot to do with making it worse or making it bigger by buying up incredible amounts of land and property and is now one of the really big landholders in this province -- at great cost to the taxpayers, I might add. One of the things I can't help wondering about, having contributed to that boom which of course contributed to making the bust worse, is why the government has been so unsympathetic to some of the problems and some of the people that have suffered because of that boom and bust.

I think of a farmer, for instance, that I talked to in the Valleyview area a year or two ago. He described how he'd sold his farm in central Alberta in something like '79, I believe it was, when the boom was still on and prices were high. He went up to the Peace River country and wanted to buy a farm. He wanted to borrow a bit of money, although he had quite a lot of money from the sale of his farm in central Alberta, and he was encouraged to borrow quite large sums and buy quite a huge tract of land and machinery. Then within a couple of years of course the bust hit, and the Agricultural Development Corporation, which was involved in the financing, not only wasn't very sympathetic to this very capable and middle-aged farmer but insulted him in the final analysis by sending around somebody who knew nothing about farms or farm equipment or anything

else to do the final settle up. He had to take the person around and point out to him the value of the various properties that he still had, because the person they sent didn't know a seed drill from a posthole auger. So the Agricultural Development Corporation and this government have quite a lot to be responsible for.

One of the advantages, as I said, of this scheme -- or any variation on this scheme almost -- over some of the other schemes is that instead of helping the banks, helping the financial institutions, this would help people pass businesses on from one generation to the next, so it could be very helpful. It seems to me also, though, that the government in these years of financial difficulty for small businesses and farmers and even perhaps in the housing industry -- particularly as it relates to the Alberta Mortgage and Housing Corporation, which has an incredible number of properties -- could have more sympathy for the idea of a debt moratorium than what they've expressed. It seems to me that the government members here have refused that idea, although we've put it forward many times, and have pooh-poohed it and said that's not the way to go. But now I'm glad to see they're thinking about a scheme which bypasses the banks and actually helps people instead of helping the profits of the big financial institutions.

I guess I'll just end on this note. I can't help wondering why this motion comes in as a backbencher motion rather than as a government motion, and I would suggest that the government look at this debate, read or listen to this debate with some care, and think seriously about moving in this direction.

MR. SPEAKER: Member for Calgary McCall.

MR. NELSON: Thank you, Mr. Speaker. I thought I would join in the debate here this afternoon for a few seconds. I have some questions and thoughts relevant to the particular motion and the focus that's being placed on it, and that focus basically is relevant to farmers. When I read the motion, it doesn't specifically indicate the farming community but is very broad and says, "promote vendor participation in financing." But the discussion here this afternoon has been some that has been focused around the farming community. Now, I think we all agree that the plight of our farming community is serious, that they are in difficult times through no fault of most of them. I say that with all due respect because some of them, of course, have created their own problems, as many businesspeople or many households do, and that's been created by obtaining too much debt.

I guess the question I would ask is: why just the focus on farming or the farming community? If we're going to look at asking government to add a contingent liability to their books, additional to what's already there, are we going to put the provincial Treasury into other difficulties in borrowing money? Are we going to reduce their rating and thus increase the rates of interest that may be charged when they have to borrow money on the marketplace, and then of course pass that through when there is some foreclosure or some situation that occurs for the farmer or other parts of our community?

There are other people in this province other than just farmers. There are citizens who have homes that have been foreclosed on. Are we going to guarantee their loans also? There are businesspeople out there, and over the last two or three years -- or four or five years, I guess -- they have had similar difficulties to farmers. Certainly we all appreciate the fact that the agriculture and energy industries are two of the major industries in the province that create employment, that create revenue and income to the province and also create many indus-

tries through their activities. Are we going to go to other businesses and suggest to them that we will give them the same opportunities as we're going to give to farmers by guaranteeing private financing?

It's interesting to note that some \$1.7 billion is outstanding to private individuals by farmers at the present time. So there is that activity going on without this backup or guarantee by government. I think it should be the long-term focus of government to get out of that business altogether rather than to continue to be a social conscience in the community. We should certainly participate whilst it is necessary and when it is necessary, but the focus should be the other way.

In any event, Mr. Speaker, I have a lot of comments to make on this, and considering the hour, I would like to request that we adjourn debate.

MR. SPEAKER: Having heard the motion by the hon. Member for Calgary McCall, those in favour please say aye.

HON. MEMBERS: Aye.

MR. SPEAKER: Opposed, please say no. The motion carries.

[At 5:24 p.m. the House adjourned to Wednesday at 2:30 p.m.]

