

LEGISLATIVE ASSEMBLY OF ALBERTA

Title: **Monday, June 8, 1987 2:30 p.m.**

Date: 87/06/08

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

[Mr. Speaker in the Chair]

PRAYERS

MR. SPEAKER: Let us pray.

As Canadians and as Albertans we give thanks for the precious gifts of freedom and peace which we enjoy.

As Members of this Legislative Assembly we rededicate ourselves to the valued traditions of parliamentary democracy as a means of serving our province and our country.

Amen.

head: INTRODUCTION OF BILLS

Bill 55

**Nova, An Alberta Corporation
Amendment Act, 1987**

MR. JOHNSTON: Mr. Speaker, I request leave to introduce Bill 55, being Nova, An Alberta Corporation Amendment Act, 1987.

Mr. Speaker, this Bill is an important Bill in terms of the Nova corporation, which is one of the more dynamic, widely diversified corporations operating in Alberta. The company, in its history, was incorporated some 30 or more years ago. At that time, the share structure in particular was certainly suitable, but now in consideration of the current financial times, it needs to be updated. This legislation deals with several important elements of restructuring the shareholders of that corporation, in particular providing more contemporary, specific voting rights to the class A shareholders. Those shares that you and I and our mothers and fathers bought many years ago now will have full voting rights similar to all other class A shares.

At the same time, Mr. Speaker, because this corporation is so significant to the diversification of the Alberta economy, it is the feeling of the government that the legislation, the Nova corporation Act itself, should provide very specific protections to ensure that the company is head-officed here in Alberta and that the Lieutenant Governor in Council has an opportunity to appoint key and specific directors to that board and, at the same time, to maintain the Alberta character of this important diversified company. Those protections are implicit in the legislation. At the same time, because there are other kinds of protections necessary, the legislation provides that a 15 percent voting protection shall accrue to the owner of the company as well. That is to say that he shall not vote more than 15 percent of the shares.

Mr. Speaker, this legislation is important for the corporation because it takes it to some extent out from underneath the legislation of the Nova Act and transfers part of the day-to-day operations into the Business Corporations Act. This is an important day for the corporation. You may note that the leadership of the company has been outstanding in the Canadian context.

In your gallery, Mr. Speaker, are three of the important people who have provided that leadership.

I move first reading of this Act, Bill 55.

[Leave granted; Bill 55 read a first time]

head: INTRODUCTION OF SPECIAL GUESTS

MR. ALGER: Mr. Speaker, in years gone by I have been honoured to have introduced to you and my colleagues many delightful guests. I don't suppose in all my time that I have ever been so proud as I am this minute to have the privilege and pleasure to introduce to you and all Members of the Legislative Assembly, 170 magnificent senior citizens from all parts of the province of Alberta. Ladies and gentlemen of the House and Mr. Speaker, your galleries are filled with pioneers, the men and women who showed the way, and we are pleased today to delightfully receive them in the confines of this Legislature as Senior Citizens' Week gets under way. Mrs. Alice Modin is the perpetrator of Senior Citizens' Week and deserves special recognition, as does Mrs. Ramsey, a retired public health nurse, who is now 100 years old, living in her own home, and showing us by example the very theme which we are emphasizing.

Our Minister of Social Services, Connie Osterman, under whose guiding hand we operate; the Senior Citizens Secretariat directed by Mary Engelmann and her assistants Lottie Germaniuk, Wanda Cree, Louise Hessian, and Alice Gray; and the Senior Citizens' Advisory Council, Marilyn Daines, Betty Purvis, Bob Kernaghan, and Ed Fee, would like to remind the rest of the world that our senior citizens aren't here to see what the province will do for them, but rather they would like to show us what they can do for the province.

Mr. Speaker, I would now ask that all our guests in the galleries please rise and accept the warmest plaudits ever given in the history of this Legislative Assembly.

head: ORAL QUESTION PERIOD

Alberta's Place in Confederation

MR. MARTIN: Mr. Speaker, I'd like to direct the first question to the Premier. The Premier marred an otherwise successful meeting in Ottawa last week with an essentially idle and ill-considered threat regarding Alberta separatism. To make matters worse from the perspective of Albertans, I believe the Premier said on his return that the threat of separatism was actually a bargaining ploy for which he would not apologize given this size of a legislative majority. My question to the Premier: I wonder if he has since had sober second thoughts about this particular remark given that there is no conceivable circumstance under which he has a mandate, in his words, "to pull [us] out of [this] bloody country?"

MR. GETTY: No, Mr. Speaker.

MR. MARTIN: Oh, Mr. Speaker, that's very interesting. So the Premier thinks he has a mandate to pull us out of the country. But I wonder about that comment, and that sort of answer gets stranger and stranger because he used as an example the prospect of a constitutional amendment relating to aboriginal rights as the reason he would pull us out of the bloody country. My question: is the Premier not aware of the profound impact of this statement to the native peoples in Alberta? Has he

thought about the message he's sent to the native peoples in Alberta?

MR. GETTY: Mr. Speaker, I think there were three questions there, and the answer is no, no, and yes.

MR. MARTIN: Mr. Speaker, the backbenchers may find that flippant and funny, but the people of Alberta don't nor do the native people of Alberta. I don't understand then how the Premier can say that he's for the accord ... [interjections] Just follow the logic here, backbenchers. He says he's for the accord, yet he's invited Quebec in, and they follow under the previous amending. It's more likely now that they're going to get their rights because of that. Is the Premier not aware of that?

MR. GETTY: I didn't even hear a question in that participation by the hon. member.

MR. MARTIN: Maybe if the backbenchers would listen, they might learn something and you could hear the question.

Prior to the Constitutional Accord, Quebec made it a practice not to enter negotiations. Now they are a full partner. Is the Premier not aware that entrenchment of aboriginal rights is a greater possibility now that Quebec is a member because the negative players -- Alberta, B.C., and Newfoundland -- may now lose their vote over this particular matter?

MR. GETTY: Mr. Speaker, the province of Alberta is not against native rights or aboriginal rights. All we ask is that before they be entrenched in the Constitution, we first determine what that means.

MR. TAYLOR: Mr. Speaker, the Premier is improving anyhow; he doesn't claim he's misquoted. Could the Premier let us know whether or not, in view of the different opinions expressed by the member of the opposition and his own threat from time to time when he gets peeved and threatens to pick up his football and go home, he would consider now having public hearings on the accord?

MR. GETTY: We are, Mr. Speaker, here in this Legislature.

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

MR. MARTIN: I'd like to direct that the second of my questions be designated to the Member for Edmonton Centre, Mr. Speaker.

Availability of Hospital Beds

REV. ROBERTS: Mr. Speaker, this being Senior Citizens' Week, I have some questions for the Minister of Hospitals and Medical Care about what I find to be the most glaring example of the Conservative government's mismanagement of the hospital system, which is to say that amidst all of the hospital building and beds that have been built over the last 10 years, little concern has been set on the priority for long-term care beds and elderly who need to be placed in auxiliary hospitals. Now we're told by the central placement office that 512 elderly are awaiting placement in long-term care beds in this province.

Now, to aggravate this the Minister of Hospitals and Medical Care has announced that seniors in active treatment hospitals

will no longer be eligible for preferred accommodation in those hospitals. What possible justification does the minister have for making life even more miserable for those senior citizens whom his government's policies have consigned to placement in the institution that is not appropriate for their care?

MR. M. MOORE: Mr. Speaker, first of all with respect to the number of auxiliary hospital beds and nursing home beds, particularly in the city of Edmonton, the hon. member should know that we concluded an agreement last February with the Edmonton General hospital board wherein that board will take over the operation of the Mill Woods hospital, opening at its full 450-odd beds, and the Edmonton General hospital will then be converted largely to an extended care auxiliary hospital with a world-class geriatric care centre that's second to none in North America. That will add some 348 auxiliary beds for patients in Edmonton.

In addition to that, I had the pleasure a few weeks ago of announcing a complete rebuild of the St. Joseph's Auxiliary hospital on the south side of Edmonton and also of announcing that the Allan Gray Auxiliary hospital will be expanded from 48 beds to 100 beds. There are also discussions going on with the Chinese community right now with respect to the possibility that we might be involved in assisting them in developing two major long-term care centres, both a nursing home and lodge-type facility. So there is a lot going on in Edmonton to relieve the situation of seniors staying in active treatment hospitals that have been assessed for auxiliary care. We're not unmindful of the need to do that, and we've taken some very concrete action.

With regard to the preferred accommodation benefits which were provided under Blue Cross, the hon. member should be aware -- I'm sure all seniors are -- that if a senior is in an active treatment hospital and medically requires a private room, then that will be provided at no cost to the senior. That has been the case for a number of years. If, on the other hand, the senior, or any other person for that matter, wishes to have a private room and it's not a medical requirement, then there would be an extra charge for that levied by the hospital. That extra charge is in the order of \$20 a day. It's well, well below what the average charge is for those kinds of rooms. If you go into the United States and other parts of the world, you'll find charges well in excess of \$200 to \$300 a day for private rooms.

So for the hon. member, Mr. Speaker, to suggest that this government is not doing a great deal with respect to providing active treatment hospital accommodation, auxiliary accommodation, and nursing home care for seniors is just so much baloney. There's a lot being done, and it's being done in co-operation with seniors and in all cases, I think, with their support and encouragement.

REV. ROBERTS: Mr. Speaker, such an announcement should have been made five or 10 years ago, not in 1987 here in Alberta today.

So to answer the question, is the minister now saying that a dear elderly friend of mine who has been in the Misericordia for over a year now waiting placement in long-term care is going to be yanked out of her preferred accommodation, which I think she well deserves, and be put into ward accommodation where she has to share a toilet and other things with four other people for who knows how many months longer?

MR. M. MOORE: Well, the situation, Mr. Speaker, is that as soon as people have been assessed for auxiliary care and they're

residing in an active treatment hospital, they are placed on the list of the central placement office, district No. 24, and they then are, as soon as a bed is available, placed in an auxiliary hospital.

I would be pleased to have the details of the hon. member's friend who has been over a year in the Misericordia hospital and see if in fact there is some problem with that individual and with respect to the name not being on the list for auxiliary care. There are not that many patients who have been residing in active treatment hospitals that length of time. I think that's rather unusual.

I'd have to say to the hon. member as well that the care that is given in that hospital, whether it be in a four-bed ward, a two-bed ward, or a private, is in my view very good care, in fact some of the best in North America coming from that hospital. If the hon. member again has complaints or concerns about the kind of care that is given by the staff of that hospital, I'd be pleased to review those as well.

REV. ROBERTS: Mr. Speaker, the point is that she is in a misplaced institution of care.

Will the minister please advise this Assembly how these elderly people who are blocked in these beds in active treatment hospitals can retain preferred accommodation if they so wish and deserve, despite his fact sheet which says that you have had discussions that Blue Cross will be picking up this preferred accommodation cost, when in fact Blue Cross does not now nor has it any plans in the future to provide extended benefits for preferred accommodation for any elderly people? This fact sheet then, Mr. Speaker, is misleading.

MR. M. MOORE: I've been unable to detect the question, if there was one.

REV. ROBERTS: Mr. Speaker, the minister's fact sheet says that seniors in this kind of situation can pick up the coverage from Blue Cross, when in fact Blue Cross has said that they will not now nor in the future look at such preferred accommodation. How is it therefore that this sheet is not inaccurate?

MR. M. MOORE: Mr. Speaker, Blue Cross does have a separate coverage package available that does include the provision of single accommodation in the hospital system. The problem is that they don't sell that separately just for seniors. We've asked Blue Cross if they would look into the possibility of developing a separate program of providing insurance coverage just for seniors for private accommodation. The reaction that I had and the staff of my department as well as Blue Cross is that it would likely not be called upon very often because few people would buy insurance for coverage of a private room that was not medically required, and if they require the private room for medical reasons, then of course there is no charge. That's borne by the Department of Hospitals and Medical Care.

In addition to that, as I said earlier, at least probably 75 per cent of the average costs of a private bed is still paid for by the hospital because the extra charge is very, very nominal as compared to the real cost. So one can see, Mr. Speaker, that with the benefits that are there, there is likely little call for that additional insurance. However, we've asked Blue Cross to consider it, and they are in the process of doing that at the moment.

MR. SPEAKER: Clover Bar supplementary, followed by Calgary Buffalo.

DR. BUCK: Mr. Speaker, a supplementary question to the minister. In the minister's ongoing study to convert some of the small rural hospital beds into long-term care, can he indicate what progress is being made in that line to try and cut down the cost as well as provide auxiliary care in the rural areas?

MR. M. MOORE: Well, we've had a number of inquiries since I wrote to all hospital board chairmen earlier this year advising them of a new policy that would allow the conversion of active treatment beds in multiples of not less than five to auxiliary care or nursing home care. We've had a number of inquiries, and boards are now considering working with our department on how they might best do that. I hope that by the end of the year we'll be able to say a number have gone in that direction. But so far most of the boards are considering the matter, studying whether or not it fits in their hospital, and they'll be making a decision later on this year.

MR. CHUMIR: Would the minister advise as to the government's position on day program proposals being made by groups across the province, such as the Kerby Centre in Calgary and the Alzheimers Society, which would enable more seniors to stay in their homes and help their families in light of the long overdue need for these types of programs in this province?

MR. M. MOORE: Certainly, Mr. Speaker. Both the Minister of Community and Occupational Health and I have had numerous discussions about the operations of day hospitals, day treatment programs, along with home care programs, and believe very strongly that there's a great deal more that the system can and should do to try to treat -- treat as opposed to caring for -- patients in a hospital-type setting or a day program setting where the costs are much less than institutional care. There's no question about it. That's a trend that we want to encourage as much as possible, because it will allow people to stay in their own homes and at the same time receive treatment.

While we're considering that, though, we must be careful that we don't just substitute the family caring that goes on often for seniors with a government paid for program. We must make certain that whatever we do is in the form of treatment, rather than simply care that replaces some family care that is now there and should continue to be there.

Education Funding

MR. TAYLOR: Mr. Speaker, my question today is to the Minister of Education. The latest estimates have shown that over 3,000 teaching positions in the province may be lost because of the cuts in educational funding. The minister has stated a number of times that she would welcome a debate on the feasibility of early retirement plans for teachers. To the minister: can she tell the House whether she has instructed her department to investigate and report to her on the relative merits of early retirement plans for teachers?

MRS. BETKOWSKI: Not specifically, Mr. Speaker. I have certainly put in place a monitoring mechanism as to how boards are effecting a reduction plan within their own jurisdiction, however.

MR. TAYLOR: Mr. Speaker, a supplementary then to the minister. I'm a little disappointed not more has been done, but maybe could she tell the House whether she has had discussions

with the ATA, the Alberta Teachers' Association, who are in favour of such a plan and are quite knowledgeable and have a plan?

MRS. BETKOWSKI: The matter of early retirement comes up in many different forums, Mr. Speaker. Certainly, as I have noted in the House on several occasions, several school boards have in fact put in place a form of early retirement program. If the hon. member is suggesting that the province institute an early retirement program for professions affected within the public sector, perhaps he would like to put a motion on the Order Paper.

MR. TAYLOR: Mr. Speaker, we probably will do just that, and we'd certainly pursue it a little farther. I was exploring just how much the minister has kept up on that issue, where, for instance, a teacher at the top end of the pay scale makes \$17,000 more a year than a new teacher just coming out of school. That's enough to pay out the pension and actually save. Has she done a cost analysis on that?

MR. SPEAKER: Two questions in one.

MR. TAYLOR: I'll be satisfied if I can get one answer.

MRS. BETKOWSKI: Mr. Speaker, I'm not sure if the hon. member is suggesting that we link educational funding to the teachers within the system or the accommodation of new teachers in the system. Certainly I have said within this Legislature that I think it's very important that we continue to provide opportunities for new graduating and energetic young teachers, but I am certainly pleased to note that we have excellent teachers in this province and also the youngest and the best educated teachers in this province compared to the rest of Canada.

MR. TAYLOR: Mr. Speaker, I find the minister's logic very hard to follow. She says she's trying to provide employment for beginning teachers, yet is she not aware that she cut the training program for teachers that the boards used to help educate disabled students, some students that were special education problems? So she has done two things with her axe. She not only made less jobs for new teachers . . .

MR. SPEAKER: Hon. member. Order. The question was asked in the first sentence. It's supplementary questions; we're not into representations or answers. Minister of Education.

MRS. BETKOWSKI: I'm sorry, Mr. Speaker. I didn't hear a question in that last question.

MR. TAYLOR: Mr. Speaker, the question is: how can she say she's doing things to help young teachers get jobs when she's done away with the new graduate teacher training program which the boards used to help teach disabled students?

MRS. BETKOWSKI: Mr. Speaker, again the hon. leader of the Liberal Party is linking the best use of educational dollars with the number of jobs that are available within the system. In my view, the most important use of educational dollars is to ensure that students learn and to build within a system of learning a quality which is certainly contributed to by teachers. But not in the first instance is the number of teachers the most important use of those educational dollars.

DR. BUCK: Mr. Speaker, a supplementary question to the Minister of Education. In light of the fact that our dollars are getting tighter and we have a surplus of teachers and our physical plants are costing more, is the minister's department looking at the possibility of going on a 12-[month] school system and looking at the semester system so that we use the physical plants longer and possibly provide more jobs for teachers?

MRS. BETKOWSKI: Mr. Speaker, that debate has certainly been raised in several quarters of this province. I'm not sure that it means we would be spending the dollars more effectively. It may be a more efficient use of those dollars, and certainly I will be looking at the debate that ensues publicly on the matter.

MS LAING: To the Minister of Education. In view of her commitment to teaching opportunities for new teachers and qualified teachers, would she consider reinstituting the initiation to teaching program?

MRS. BETKOWSKI: Mr. Speaker, this Legislature passed the Appropriation Act on Friday by Royal Assent, and included in that was the budget plan of the Department of Education, which will stay for the '87-88 fiscal year. Certainly the initiation to teaching project was an excellent program. We are doing an evaluation with members of two of the faculties of education in Alberta, and I think the results of that will show ways in which we can bridge more effectively the gap between the teacher in the university environment and the teacher in the classroom. Certainly I will be looking at those kinds of models in the future.

MR. MUSGREAVE: Mr. Speaker, I'd like to ask the hon. minister: in view of the very large proportion of salaries that makes up the school boards' budgets throughout the province and in view of the ongoing concern of the Provincial Treasurer to reduce our deficit, could she assure us that she would make her best efforts to try and get more money from the Treasurer to bring in a significant retirement program that would help the school boards throughout the province get over this problem of too much staff at too high a price?

MRS. BETKOWSKI: Well, Mr. Speaker, I think the hon. Member for Calgary McKnight can make his own representations effectively to the Provincial Treasurer. As we have stated, the issue of early retirement within the school boards affecting teachers is one which school boards have addressed in the past and I'm sure will continue to address in the future.

Natural Gas Reserves

DR. BUCK: Mr. Speaker, my question is to the Minister of Energy. In the late '60s and early '70s we used to have a thing in this province called a 30-year rolling reserve for natural gas before we could sell any across the border. To the minister: what is the government's policy on that so-called rolling reserve, and what is the duration of that policy?

DR. WEBBER: Well, Mr. Speaker, the ERCB and the National Energy Board continue to monitor the reserves that are in place in this country and this province. The ERCB recently came out with a report which indicated that the picture is very bright in terms of the reserves that we have in place for natural gas: some 61 trillion cubic feet, which is approximately a 25-, 26-year sup-

ply. Because of natural gas deregulation and the national surplus test of 25 years being a barrier to our producers having access to the U.S. market, in the agreement between the federal government and ourselves and the other two western provinces of British Columbia and Saskatchewan, there was a request for the National Energy Board to review their surplus tests. They came out with a 15-year reserves overproduction test a year ago, which was not satisfactory to the provinces or to the producers in this country. Thus we tentatively agreed to proceed with deregulation on condition that the National Energy Board review that surplus test again.

Those hearings are in the process of being completed, and it would be to the benefit of the gas industry in this province and this country if we have a significant improvement in that surplus test to reflect to a great degree the surplus test that is in place in this province right now with the ERCB, some 15 years' supply into the core market, which matches the contracts that are in place in that market. One of the conditions of deregulation was having access to the U.S. market with a considerable reduction in the umbrella surplus test requirements but, in place of that, that we have long-term contracts.

DR. BUCK: Mr. Speaker, a supplementary question to the minister. In these so-called reserves, what differentiation is there between shallow reserves and deep reserves?

DR. WEBBER: Mr. Speaker, in terms of determining the surplus test, there is no distinction made between the two that I'm aware of. What the ERCB does is look at the overall requirement for the province in applying their reserve tests to gas removal permits. We receive those gas removal permits and approve them either at the ministerial level or the cabinet level for gas to be removed out of the province.

I mentioned earlier in my first response, Mr. Speaker, that the picture is looking very bright in terms of having access to the U.S. market with their gas bubble going down, the recent discovery at Caroline with some 2 trillion cubic feet of reserves there. I think the picture is looking very bright in terms of the future of the gas industry in this province.

DR. BUCK: Mr. Speaker, a supplementary to the minister. What protection is there in place for the Alberta user? As a businessman I presume that I would sell the cheap gas first and keep the more expensive gas in reserve. What protection is there for Albertans 20 years down the road that we as Albertans will not have to use that more expensive natural gas?

DR. WEBBER: Mr. Speaker, with respect to the removal of gas from the province, we have our royalties, which are different for old gas and for new gas. The ERCB is constantly monitoring the supplies in both areas. In terms of any distinction between holding them back on the part of the producers, I'm not aware of any concerns that have been expressed in that particular area.

I would simply add that in terms of protection for the consumers in this province, we have that 15-year supply in place for the consumers in this province into the core market, and with natural gas deregulation, the industry has agreed, along with the governments in this country, that in the industrial markets competition there should determine what the natural gas prices are in competition with fuel oil and other forms of energy. However, in the core market for the residential homeowner or schools or hospitals we have the assurance of a long-term supply not only in terms of the surplus test but in terms of contracting that long-

term supply between the distributors and the producers in this province.

MR. SPEAKER: Calgary Forest Lawn, followed by Calgary Buffalo, supplementaries.

MR. PASHAK: Mr. Speaker, a supplemental to the Minister of Energy. I wonder if the minister could give us some approximation of what percentage of that gas that's currently being sold at distress prices into the U.S. market is bringing any royalty to the Alberta Treasury.

DR. WEBBER: Mr. Speaker, we constantly monitor the price of natural gas, and one of the conditions of deregulation is that instead of a border pricing test being in place, we have a quarterly review of the prices of natural gas going into the United States. The last information that we received from our own ERCB and the Alberta Petroleum Marketing Commission was that the average price of natural gas going to the United States is higher than the average domestic ex-Alberta price. In other words, we are still selling gas into the United States at a higher price on average than we are to provinces outside of Alberta.

MR. CHUMIR: To the minister: is it the minister's policy to attempt to end the 15-year reserve rules that we have at the present time, which in fact make a mockery and really a charade of deregulation, or will he accept the fact that complete deregulation was foolish and impossible to begin with?

DR. WEBBER: Well, I'm not sure how the hon. member connects the last part with the first part of the question that he asked. The hon. member knows full well that we entered into the process of deregulation with the agreement of the industry, the federal government, and all of the provincial governments that were signatories to that particular agreement. We all, including the industry, agree that deregulation is the objective that we want, and we're working towards that objective. So it was not a mistake; in fact, it is only during a time of a surplus situation that we believe we could get agreement on deregulation. As soon as that U.S. market opens up and other barriers are removed, I think all Canadians will benefit from natural gas deregulation.

Aid to Nicaragua

MR. GIBEAULT: Mr. Speaker, my question today is for the Minister of Federal and Intergovernmental Affairs. Recently we've received reports of a development project funded by the Alberta Agency for International Development being seriously disrupted by the American-backed contras. This project in Manacotal was sponsored by two Alberta agencies, Farmers for Peace and Change for Children, and assisted peasants in resettlement. To the minister what action has he taken to convey to the American administration the grave concern of the people and the government of Alberta about these terrorist actions that are destroying the excellent work done by Alberta nongovernment organizations with the assistance of Alberta AID?

MR. HORSMAN: Mr. Speaker, that matter was dealt with by the Rt. Hon. Joe Clark, Secretary of State for External Affairs, on behalf of all Canadians. I was in Ottawa last week when he made his representations.

MR. GIBEAULT: A supplementary question then. In '86-87, Mr. Speaker, Alberta AID funded 15 projects in Nicaragua for a total of \$309,000, so surely we have to be very concerned about these kinds of incidents. I would ask the minister: has he, when he was talking to the federal minister, or will he now urge him strongly to send a protest note to the American ambassador about these outrages?

MR. HORSMAN: Mr. Speaker, that was done by the Rt. Hon. Joe Clark, as I indicated, in a note to the Secretary of State of the United States, Mr. Shultz.

MR. GIBEAULT: A supplementary question to the minister. Would he be prepared to write to the president of Nicaragua, Mr. Ortega, to express the concern of the people and the government of Alberta about the development project supported by the people and the province of Alberta in his country?

MR. HORSMAN: Mr. Speaker, representations of that kind obviously should go from the federal government to any government with which we have relations. I would leave it in the hands of the federal government to deal with.

MR. SPEAKER: That supplementary [inaudible] difficult jurisdiction, and it's hardly provincial.

MR. GIBEAULT: To the Minister of Economic Development and Trade, Mr. Speaker. Since the Alberta AID budget was slashed in half leaving many Albertans to wonder whether or not this government is still interested in international development, can the minister assure the House and all Albertans if Alberta AID will continue to support development projects in Nicaragua and give those projects priority?

MR. SHABEN: Mr. Speaker, our international aid program is by far the best in Canada. As a matter of fact, the total government contribution toward international aid is more than that contributed by all other provinces combined. The decision with respect to whether or not contributions are made to non-governmental organizations supporting projects in Nicaragua or any other country is not a decision that's made by the government. It's one that's made by the contributors who make the contribution to the nongovernmental organization that we in turn support.

MR. SPEAKER: Westlock-Sturgeon, supplementary.

MR. TAYLOR: Mr. Speaker, a supplementary to the Minister of Economic Development and Trade. Would he have at his fingertips the amount of business we do with Nicaragua as far as selling Alberta products and how much we might import from there each year?

MR. SHABEN: No, I don't, Mr. Speaker.

Pediatric Hospital Services

MRS. MIROSH: Mr. Speaker, to the minister of hospitals and health care. Last week in Calgary the Calgary area hospital advisory council met to discuss a report done by a group of consultants regarding pediatric and obstetrical beds. Apparently, this report suggested the moving of the children's hospital to Foothills. Can the minister tell me if he will follow up on this

recommendation or if this report is in fact true?

MR. M. MOORE: Mr. Speaker, there were two parts to the report. The first one suggested that there should be a move of the Alberta children's hospital in Calgary to the Foothills hospital site, and the second part of the report dealt with more lengthy recommendations as to what to do in the event that the hospital is not relocated. I presently have under consideration the second part of the report dealing with some consolidation of pediatric beds and programs at the children's hospital on its present location. I had previously said and would reiterate that the children's hospital will not be moved to the Foothills hospital site.

MRS. MIROSH: Would the minister consider a second opinion before making his final decision in the implementation of the children's hospital?

MR. M. MOORE: The latest report, Mr. Speaker, was actually the third opinion, and it too is rejected.

MRS. MIROSH: What is the short-term plan regarding the pediatric and obstetrical bed problem?

MR. M. MOORE: Well, the recommendation from the Calgary hospital planning council is that we consolidate the major pediatric services in the children's hospital, that there remain some limited services at the Foothills hospital, that the new Peter Lougheed hospital have a 20-bed pediatric ward, and that the new Rockyview hospital have a 20-bed pediatric ward. That would be some considerable consolidation over what presently exists, and while I'm not yet in a position to say that we can accept those recommendations, they do fall very much in line with our stated desire to have hospitals in our two major cities minimize as much as possible the duplication of very expensive intensive care programs and programs like pediatric care. So generally, Mr. Speaker, the recommendations of council, I think, will be looked upon favourably, but I want to have more opportunity to consider them before making a final decision.

MR. CHUMIR: The word I get from Calgary, Mr. Speaker, is that there is tremendous pressure on the outpatient diagnostic services at the Calgary children's hospital, particularly in light of looming cutbacks with respect to learning disabilities in the public school system. Is the minister aware of these problems, and if he isn't, will he undertake to look into this in order to ensure that adequate services continue to be available to treat handicapped children and those with learning disabilities at the Calgary children's hospital?

MR. M. MOORE: Mr. Speaker, very much aware. I had extensive meetings with the board of management and the directors of the children's hospital in Calgary prior to their making final decisions this year on the *manner* in which they would meet current budgetary targets. Indeed, the board was very responsible in making a good portion of their expenditure reductions in areas of administration and in areas that would not affect the care of children. As a matter of fact, there are one or two areas where there's been an expansion of their present system in order to accommodate additional patients.

The Alberta children's hospital in Calgary, in term of its total operating costs, has the largest budgetary component involved in outpatient care of any hospital in Alberta, with the possible exception of the Cross Cancer Institute, located both in Ed-

monton and Calgary. That will continue.

I have to say, though, that the hospital will not have the budgetary revenue that might be necessary to accommodate significant cutbacks in the public education system in Calgary or anywhere else. We would hope therefore that the education system would continue to fund, as it has in the past, those areas which it is responsible for, without pushing the load onto the children's hospital.

MR. SPEAKER: Edmonton Centre, supplementary.

REV. ROBERTS: Thank you, Mr. Speaker. Given the minister's operating and capital constraints, when is he going to make good on the Premier's campaign promise to build a second children's hospital, one in northern Alberta?

MR. M. MOORE: The consolidation of pediatric services in Edmonton to serve northern Alberta under one roof is something that every member in northern Alberta ought to be striving very hard to achieve, firstly, because it will provide to us a great deal better pediatric care than we presently have for northern Alberta, and secondly, if we are to consolidate beds in one area and reduce the number of beds that exist throughout many hospitals in the capital city now, we will be able to if not save money at least for the same amount of money give much better pediatric care. So I'm looking forward, Mr. Speaker, even though the Member for Edmonton Centre may not be, to the day when we have a Northern Alberta Children's hospital.

MR. SPEAKER: Edmonton Meadowlark and, if there's time, Edmonton Belmont.

Alberta Mortgage and Housing Corporation

MR. MITCHELL: Thank you, Mr. Speaker. To the Treasurer. Albertans are extremely worried about the management of the Heritage Savings Trust Fund. Among other things, they are concerned about the rate of return that they're getting and the quality of those interest returns on the fund. A case in point is the \$3.5 billion investment in Alberta Mortgage and Housing Corporation. Could the Treasurer please confirm that the Alberta Mortgage and Housing Corporation paid about \$420 million of interest to the Alberta Heritage Savings Trust Fund in 1985-86, or about 25 percent of the entire earnings of the fund came from this single corporation?

MR. JOHNSTON: Well, Mr. Speaker, I'd be glad to comment about the importance of the Heritage Savings Trust Fund and the way in which the Heritage Savings Trust Fund has enabled us to pursue particularly important objectives during intervals in our economic history, one of them being the need to assist and to provide a major stimulus to housing in this province. What is often forgotten when comparing the Heritage Savings Trust Fund is the significant amount of money that has in fact been earned within that fund. Some \$8 billion has been transferred from the Heritage Savings Trust Fund to the General Revenue Fund over the past few years.

As well, Mr. Speaker, you must realize that it was a tool of economic diversification and used to support a particular initiative at the time. Let's recall that housing in the mid-1970s was a particular problem, and we responded in that diversification which generated jobs, provided economic growth, and responded to a social need by using that fund for that purpose.

For that reason, the investment in the Alberta Mortgage and Housing Corporation is a significant investment. The member knows that there will be a great opportunity here in the next few days when the resolution for additional money for the heritage fund is before us. I'm sure he can bring those questions, and I'll have an opportunity to straighten out some of his misunderstanding of that at that time.

MR. MITCHELL: Mr. Speaker, will the Treasurer please confirm after all of that whatever that was, that the Alberta Mortgage and Housing Corporation actually lost \$288 million and, if he had accounted properly for its loan losses, would have lost as much as \$700 million or \$800 million in the same year that it paid \$420 million to the Alberta Heritage Savings Trust Fund?

MR. JOHNSTON: Well, once again, Mr. Speaker, the Member for Edmonton Meadowlark, when it's convenient, will suggest that the Auditor is not doing his job, as he is now suggesting. And when it is also to his convenience, he will cite other points which will in fact show that we've ignored the Auditor's report. What we've done, Mr. Speaker: the Auditor General of this Legislature has looked at the housing corporation, has passed judgment upon it, has recognized the losses, as have all other financial organizations including those Crown agencies recognized losses, driven primarily as a result of less than adequate economic performance and downturn in real estate values. That's been recognized, and that's a significant adjustment as well.

MR. MITCHELL: Speaking of the Auditor General, will the Treasurer please confirm, therefore, why it is that the Auditor General is not happy with the accounting principles that Alberta Mortgage and Housing is using at the direction of the Treasurer and that in fact we can't trust the books and that in fact you have lost more money than the books say?

MR. JOHNSTON: Well, Mr. Speaker, again the Member for Edmonton Meadowlark is always taking convenient shots at the heritage fund. Now, let's remember one thing about the heritage fund: that fund has well over \$15 billion in assets, has \$13 billion in financial assets, and is now transferring something like \$1.3 billion to the General Revenue Fund to reduce taxation, provide major services to senior citizens, for educational purposes, for health facilities -- unparalleled in Canada and a model that other jurisdictions are looking to. Naturally there have been some problems. I remember when Premier Lougheed introduced the legislation that put the heritage fund in place. He said that a government that wants action has to take some risk. Mr. Speaker, we took the action, we raved that money for future generations, and now it's working to the availability and advantage of all Albertans, a significant [undertaking]. He should look at that model because it is an amazing success story, and he can't deny it. [interjections]

MR. MITCHELL: If you want to look at successful models . . .

MR. SPEAKER: The Chair will recognize Edmonton Meadowlark when that person's leader has finished.

MR. MITCHELL: If you want to look at successful models, perhaps the Treasurer should consider Alaska, Saskatchewan, and Quebec in fact.

Will the Treasurer please admit that since taxpayers' money

subsidizes losses on Crown corporations, in fact Albertans are digging into their pockets to subsidize Alberta Mortgage and Housing so that it in turn can pay \$420 million to the Heritage Savings Trust Fund and that in fact 25 percent at least of those earnings are absolutely meaningless?

MR. SPEAKER: Having listened at great length to that succinct supplementary, the buzzer has still gone. The time for question period has expired. Might we complete this series of questions after unanimous consent?

HON. MEMBERS: Agreed.

MR. SPEAKER: Opposed? Provincial Treasurer.

MR. JOHNSTON: Mr. Speaker, there are a series of investments in the heritage fund which are those investments which flow through to the Crown corporations of this province, corporations which at one time, as I have explained, were used to pursue economic objectives, to assess particular sectors, and we used the resources available in this province to do just that.

Now, as we have indicated, Mr. Speaker, we did it at a time when there was a need and a demand. Instead of turning to offshore resources, for example, at a time when the Canadian dollar was under some peril and the energy scenario was difficult for the world, we used the internal resources of this province to diversify the economy, to drive certain sectors -- including housing, agriculture, and to some extent the telecommunications expansions -- generating jobs, generating economic development, and doing all that without increasing by one cent the tax load on the province of Alberta. That's an amazing story, Mr. Speaker, and that's one that all Albertans understand. It's too bad that he can't see the advantage of that fund right now.

MR. SPEAKER: Edmonton Kingsway, followed by Red Deer South.

MR. McEACHERN: Thank you, Mr. Speaker. Given the mess in the relationship between this Crown corporation -- the Alberta Mortgage and Housing Corporation, that is -- and the heritage trust fund and the mess that the corporation itself is in, to the Premier or the Minister of Municipal Affairs: will you call a judicial inquiry into the whole Alberta municipal housing corporation?

MR. JOHNSTON: Mr. Speaker, to leave the impression that there is something in terms of mismanagement or something as serious to require a public inquiry is in fact misleading the House and misleading all Albertans, and of course we will not have an inquiry.

MR. SPEAKER: Red Deer South.

MR. OLDRING: Thank you, Mr. Speaker. A supplementary to the Treasurer. Could he please advise the Legislative Assembly what percentage of the '86-87 budget will be funded as a direct result of the earnings of the Alberta Heritage Savings Trust Fund?

MR. JOHNSTON: Mr. Speaker, that's exactly a very important point to leave. We tend to forget how important that heritage fund has been over the past decade. As I've indicated earlier, approximately \$8.3 billion has already been transferred from the

income earned within that fund to the General Revenue Fund to assist us in terms of providing the high services and low tax. As I indicated, this year the transfer will be \$1.3 billion; that is a very large percentage of the total revenue. It probably allows us to avoid imposing a sales tax. Now, I know that our colleagues across the way would probably argue in favour of a sales tax, but we want to protect the low-income individuals in this province, and one way to do it is to maximize the use of that fund, and this government is doing just that.

ORDERS OF THE DAY

head: **COMMITTEE OF SUPPLY**

[Mr. Gogo in the Chair]

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

Perhaps before we proceed, I could ask the hon. Member for Athabasca-Lac La Biche to attend his seat. Hon. Member for Athabasca-Lac La Biche, on Friday last, if the hon. member recalls, the Chair had observed the terms that were being used, and on a point of order, I believe raised by Red Deer North, the terms "misleading," and quoting Hansard, "dishonest." Now, the Chair has looked at Beauchesne, and there are rulings both ways. However, it's the view of the Chair that the Member for Athabasca-Lac La Biche in fact did use unparliamentary language. I quote from 1688 of June 5 Hansard that the hon. member should perhaps reconsider his use of that language and may like to take appropriate action. Now, before the committee decides, the Chairman would refer to the hon. Member for Athabasca-Lac La Biche to see if he wishes to make a comment.

MR. PIQUETTE: Yes. Thank you, Mr. Chairman. I did review the Blues here just today, and I do intend to withdraw that statement "dishonest." It was not intended in that slight. I think the word I was trying to assert was "misleading," but I do apologize for using the word "dishonest."

MR. CHAIRMAN: Thank you, hon. member. You're most gracious.

1987-88 Alberta Capital Fund Estimates

Hospitals and Medical Care

1 Construction of Hospitals and Nursing Homes

MR. CHAIRMAN: Are hon. members of the committee prepared to make comments, questions, or amendments to the Capital Fund estimates on page 9, Department of Hospitals and Medical Care? Hon. Member for Edmonton Centre.

REV. ROBERTS: Yes, Mr. Chairman, just to reiterate and to stress some of the concerns I was expressing last week, certainly the hospital construction throughout the province has meant what I think would best be termed a superstructure which has been quite evident, and though it represents not a large percentage of the overall budget, it's one that still is of very much concern to people throughout Alberta in the cities and towns and rural districts. I guess the question that is begged by all of this, though, is not just the amount of money that goes into capital construction and the superstructure of hospital buildings but the infrastructure as well, and in fact under the current fiscal

regime, as the Treasurer likes to speak of it, whether or not the infrastructure is being hampered in terms of continual upgrading, equipment costs, being able to continue to staff the place appropriately given the minister's operating budget cutback, and so on.

Now, a case in point, it seems, is the news -- and perhaps the minister could clarify the situation at Ponoka where recent reports had it that with the new hospital nearly open, I think, just May 1, there was a classic case of the superstructure being in place and set, but with certain cutbacks and certain other difficulties, almost right away they had to not open a certain number of the beds in the new facility. This begs again the question, Mr. Chairman, as to the capital spending; the superstructure being there but the ongoing operating infrastructure needing to be supported both by capital dollars and other fiscal policies.

I know the minister both with the Mill Woods hospital and the Peter Lougheed have had cases which it seemed at the time the minister was going to be converting them into white elephants in the sense of the huge outlays of capital expense and the budgets, which no doubt had gotten past this committee stage, Mr. Chairman, in terms of the spending on them, but when it came time, the operating costs and the budget needed to open them and operate them, in fact the minister was having a great deal of difficulty finding the money and had to really juggle the books and juggle the bed deployment and so on all around to enable them even to be open partially on time.

So perhaps the minister again could comment on this Ponoka situation or the two -- Mills Woods or Peter Lougheed -- or others which have similar problems of "Fine, here's a hospital." We could say, "Fine, here's the capital construction, the dollars for it," yet those who staff the hospital and those in public policy need to take greater stock of the amount of dollars that are going to be allocated in both the operating and the infrastructure that is going to keep up the buildings. In fact, this is why I stressed last Friday that perhaps a whole new policy of rural hospital expansion in terms of the infrastructure, the operating, the way in which they need to be supported now that the buildings are there -- in fact much greater care could be explored with the minister and the department that's going to involve more dollars to keep the equipment up, to keep the physicians attracted to these facilities. I'm told that anesthetists in various hospitals don't want to do surgery without the necessary backup and all of these other things that are necessary to run hospitals. It can't just be an after the fact that people have to come begging on hands and knees to the minister for money to keep them going but needs to be a firm part of the consideration upon our voting of the capital dollars and the capital construction of them.

Again, I had some questions last week about what the minister meant by the new facility at La Crete, exactly the situation as may be resolved in the Lethbridge situation, Mr. Chairman, vis-à-vis the two hospitals there. Is it going to be the extra \$6 million necessary to open the regional hospital with the 305-bed complement which they feel is necessary to make it a regional referral centre, the various satellite cancer programs in Grande Prairie and other hospitals in other cities and towns that the Cross Cancer can spread out from, and a host of other ones that I mentioned last Friday? I know the Member for Athabasca-Lac La Biche and other of our colleagues had as well.

MR. JONSON: Mr. Chairman, I wonder if the minister could confirm that, as I think is the case in many places in the province, in the case of Ponoka General many of the 50 beds that were previously occupied were occupied by auxiliary pa-

tients and that now, although it is extremely regrettable that a number of beds have had to be closed, the hospital is still offering service to 50-plus patients, with the auxiliary wing being open.

Further, Mr. Chairman, I wonder if the minister has any response to the fact that the general hospital there is greatly utilized by the four bands' reserves to the north of Ponoka. They find that the hospital offers excellent service, but not being within the hospital district of Ponoka, they have increased the utilization rate of the hospital and this in large measure accounts for the budgetary problems they're having right now.

MR. CHAIRMAN: Hon. Member for Edmonton Meadowlark.

MR. MITCHELL: Thank you, Mr. Chairman. Three quick questions which will provide information upon which we can base a judgment about the nature of these expenditures and whether these expenditures will be properly managed.

Could the minister please indicate why it is that the new hospital in Lethbridge has been designed in such a way that while it will provide, it looks like, only about 20 more beds than the existing 220-bed hospital, its operating cost will probably go from about \$18 million to \$30 million a year? Could the minister please indicate similarly why it is that the Walter C. Mackenzie hospital, which was so expensive, will be replacing a hospital that has more beds than the Walter C. Mackenzie hospital has?

[Mr. Stevens in the Chair]

Thirdly, could the minister please give us an indication of what the total costs of the Walter C. Mackenzie hospital have in fact been, compared to original budgeted costs?

Finally, owing to the fact that we didn't get an answer during question period to the question from the Member for Edmonton Centre, could the minister please give us a specific schedule for the construction of the Northern Alberta Children's hospital?

Thank you.

MR. ACTING DEPUTY CHAIRMAN: Member for Lethbridge West.

MR. GOGO: Thank you, Mr. Chairman. I'm very interested in the comments made with regard to the Lethbridge Regional hospital raised by hon. members, and I'm very appreciative of the fact that they're concerned about the health needs of southern Alberta. I think it's a very important area, and in responding I'd like to have the minister perhaps clarify some of the points. First of all, I think we in Alberta are extremely fortunate with regard to the health care system. I note that of all the provinces in Canada we spend almost the highest, some 30 percent of our total budget, on health care matters including community and occupational health. It's only exceeded by the province of Ontario. I believe, Mr. Chairman, I can appreciate some of the difficulties the hon. minister must go through in attempting to allocate the resources available to him throughout the province.

The recently announced thrust of the minister's department with a view to reducing the health care costs is important. However, I'd like to deal specifically with this Capital Fund, and it's applicable to the Lethbridge Regional hospital. Now, Mr. Chairman, I've met with the board chairmen, both the one who has resigned and the new chairman, just over the weekend and I'm somewhat confused. My information is that it would appear that the intent of that new facility, which as long ago as

1979 was designated as a regional facility, was to alleviate the difficulties of Lethbridge residents and southern Alberta residents, certainly within district 65 -- that's Barons, Nobleford, Coaldale, and the county of Lethbridge as well as the city of Lethbridge -- who are having to go to Calgary and other places for certain medical procedures. We're grateful the minister has authorized a CAT scanner amongst other things with the new diagnostic facility. The difficulty, though, appears to be -- and I'm sure the minister could clear this up, Mr. Chairman -- the whole question of the number of beds.

It seems to me the formula that the minister's department has been using calls for about 400 to 430 beds within the community. Now, we're served by two hospitals. The St. Michael's, of course, of the Order of St. Martha's has provided excellent health care in that community for some almost 60 years, and I understand they may have to undergo some renovations with regard to providing for long-term care. I further understand, based on the comments by the minister's predecessor, that St. Michael's might reduce by some 50 to 60 acute care beds, and one would assume they would go into the regional facility.

So looking at the total, the aggregate of the 240 that the minister's referred to in the past as a suggested figure for the regional hospital, along with what may happen with St. Michael's if they're comforted and assured in the fact that the needs will be met in the community, it seems to me we end up, Mr. Chairman, with about the 300 to 305 beds. So it seems to me a matter of timing and not so much a matter of intent, and I, along with others, am very anxious to see that the health needs of southern Albertans are looked after. One can only assume that with the programs that have been approved, demand is going to be increased within that regional facility. It just seems without saying that the bed should follow the program. If there's going to be day surgery, I don't suppose there's a need for the bed, and I understand there are some excellent thrusts with regard to modern medicine and the use of day surgery.

[Mr. Musgreave in the Chair]

I'd simply like to ask the minister if he would comment, when he responds, regarding this whole area of that regional hospital. It seems to me, Mr. Chairman, that with the volunteer efforts of St. Michael's hospital, with the needs of the community and the Regional hospital's need, combining the two we would end up with a solution to the problem. So I guess the question is when, and the question is a matter of dollars, and I'm confident the minister could get the dollars from the government. I would hope that he could, to ensure that the health needs of southern Albertans would be met.

With that, Mr. Chairman, I appreciate the effort the minister has made on a visit on April 16 to both hospital boards. He's been more than frank in determining not only the problems he's faced with but indeed the fiscal problems of the province of Alberta. But I'm confident that in the final analysis, if we can get both boards together, with the support of the minister and his department we'll reach a successful conclusion with regard to the Regional hospital.

Thank you, Mr. Chairman.

MR. DEPUTY CHAIRMAN: The Member for Calgary Buffalo.

MR. CHUMIR: Thank you, Mr. Chairman. I would like to

make a few comments and address some questions to the minister. I'm particularly concerned with the need for rationalization of the hospital system as a whole in this province. There has obviously been some overbuilding and some misbuilding in the past. We have a dispute with respect to the exact numbers of beds per thousand of population; I've heard anywhere from six to six and a half at the present time. I'd be very interested to hear what the government's goal is with respect to an appropriate number. But regardless of what that goal may be, I think it's universally recognized that there are too many beds, particularly in the wrong places, at this present time.

[Mr. Gogo in the Chair]

By way of evidence of that, we have only to look at the recent situation in northeast Calgary when no sooner were we half way through constructing the new northeast hospital we talked about mothballing it. We have, of course, the situation in rural areas. We're all aware that in some rural areas the hospitals are well used; wise decisions have been made. But in others the communities themselves acknowledge that errors have been made in terms of building facilities for which doctors cannot be obtained or which are too large for the particular purposes of the area. We have to be smarter.

So the question I have for the minister is: what is the minister doing with respect to making a global and a fundamental review of the hospital situation and the nursing home and related situations in this province in order to develop a proper road map which would guide us in the future with respect to a system which both would be efficient and would serve the needs of the people of this province? In particular, will the minister set in motion an independent review with some independent expertise on this issue? In addition to that, will he undertake to provide for public hearings on this matter so that we can have input with respect to informed and concerned members of the community with respect to the direction they would like to see the hospital and medical treatment scenario in this province take?

I would like to also ask the minister what he envisages to be the role of miscellaneous alternative types of care to hospitals and nursing homes. Earlier today I asked the minister a question with respect to the government's position on proposals being made with respect to day programs for seniors, particularly those specific proposals, of which I am aware, made by the Kerby Centre in Calgary and the Alzheimer Society in Calgary. I asked the minister with respect to progress on that matter and he got up and expressed some sympathies with the general concept. However, insofar as I was able to determine, he studiously avoided giving us any indication as to what his plans were. Is he going to accept and respond to either or both of these proposals and to other manifestations of concern in that regard in the community?

Finally, I'm wondering whether the minister has in mind experimenting with some alternative forms of medical care in this province such as the community clinic concept which is utilized in parts of Saskatchewan and, I believe, in Ontario. It provides an alternate type of care that I believe has been proven to be very successful in terms of preventive health care, which we're all beginning to realize is so important not only to the health of the community but in terms of controlling medicare costs.

I would appreciate hearing from the minister on those issues. Thank you, Mr. Chairman.

MR. STEVENS: Mr. Chairman, I spoke on Friday briefly, and

I'd like to conclude my participation in this debate by getting to my feet now that the Member for Calgary Buffalo, on behalf of the Liberal Party, has joined the ranks of the New Democratic Party in being critical of our rural hospital programs throughout Alberta. On Friday, when the minister reviewed very thoughtfully and carefully outlined this \$235 million capital fund for Hospitals and Medical Care, he mentioned among all of the projects the Banff Mineral Springs hospital which in fact had opened on the Friday before. I said at the time I spoke that I would like to table the opposition by the New Democratic Party in this House to that hospital in Banff that was indeed planned and built to serve the needs of this community. Well, rather than tabling this, Mr. Chairman, or filing it, I'll just read one line right out of *Hansard*, April 13, 1983, by the now Leader of the Opposition, the Member for Edmonton Norwood. He simply said this:

We've talked about building hospitals we don't need, good examples being from Berwyn to Grimshaw, and the Banff hospital.

That's clearly a statement by the Leader of the Opposition in 1983.

When we've been debating these from time to time, Mr. Chairman, we've referred to the position taken by this government in developing a program which will provide community facilities throughout our province so rural Albertans and urban Albertans will have access to health care. I could refer to 1983, to the former Member for Spirit-River Fairview, who again talked about inefficiencies in the province's hospitals and the fact that they were not needed to be built across this province. I could go on and on. There are so many quotations that it would take in fact half an hour. There are 11 pages of quotations that show that this opposition now has made a tremendous flip-flop. The Member for Edmonton Centre in a valiant effort last Friday tried to show how it has flip-flopped to now support rural hospital programs, even at the expense of urban hospitals, as he said on Friday last.

Mr. Chairman, I just want to conclude by saying that this government is building hospitals that are community focuses. This government does not have a centralization approach, is not intending to overrule the boards' decisions and close hospitals in those communities, as has been suggested, and now I gather by the Member for Calgary Buffalo as well.

MR. CHAIRMAN: Hon. Member for Edmonton Centre.

REV. ROBERTS: Thank you, Mr. Chairman. I hope the Member for Banff-Cochrane has in his dossier there the comments from the Minister of Hospitals and Medical Care, who recently stated about the need to even have built the Mill Woods or the Peter Lougheed hospitals. We weren't suggesting that, but it did seem that the minister himself said there were some questions whether or not these facilities were ever going to be opened. So if that isn't a concession that there needs to be some critical thought given to the whole system and the funding system and so on, then I don't know what is.

Further critical thought could also lead us into a discussion, Mr. Chairman. I don't recall the minister citing any of these dollars going to new mental health facilities, and I think it is regrettable that we have had the Mental Health Act tabled before us and it's not yet been discussed. I know there are a number of groups and individuals, a number of institutional boards and so on, who are very concerned and eager to get at the new Mental Health Act.

But insofar as we haven't gotten to it yet, I wonder if the minister could cite under this vote how much capital dollars are going to the improvement or the construction of new facilities for mental health. I say that knowing he has just allocated, I believe, \$17 million or something in that order to the Alberta Hospital Ponoka for not only a complete upgrade and the fact that it needed infrastructure which had a lot to be required but, as well, a new brain injury unit there. Then, of course, not to be outdone, the Alberta Hospital Edmonton north of the city here, also of course a mental health facility, is now wanting -- or at least has for some time -- to have its infrastructure examined and also possible expansion of its units and beds and programs. I know the board chairman there, and members of the staff have written and spoken to a number of people about their phase 2 or new development phase for Alberta Hospital Edmonton that will be some millions of dollars, and it would seem in some days and ages that that would be a very forthright request. However, I do know the minister has also cited that there's going to be a designation for involuntary patients at general active treatment hospitals. Whether in fact there is a new policy of the department to deal with mental illness in and through existing active treatment hospitals which may not allow for or need the expansion of centred facilities such as the Alberta Hospital Edmonton -- but he's in a bind if he's just doing it for Alberta Hospital Ponoka. There's got to be some balance or equilibrium at Alberta Hospital Edmonton, and yet it's caught between, I think, a newly emerging policy about mental health treatment generally. So again, it would be helpful to have some policy statement to know how capital dollars are going to be flowing, particularly along the lines of mental health.

Thank you, Mr. Chairman.

MR. CHAIRMAN: Hon. Member for Calgary Buffalo.

MR. CHUMIR: Thank you, Mr. Chairman. There was a matter I neglected to raise in my comments a few moments ago that causes me some concern, and that is with respect to nursing homes. I had occasion to visit nursing homes in my constituency pursuant to the \$3 per day increase in the fee, and I had a number of expressions of concern with respect to the impact on some of the seniors -- not all of them but on some of them. I was led to believe that in fact hardship was being experienced by a number of the seniors in such areas as, for example, the capacity to take trips, the ability to be able to afford to pay a few dollars for the fare on a bus, which would be organized to take seniors on an outing, and similar . . .

MR. CHAIRMAN: Hon. member, I hesitate to interrupt but we're not talking about the operating budget of the minister's department. That was concluded with the estimates. If the hon. member could come back to the capital projects that are under discussion or relate his points to the capital dollars.

MR. CHUMIR: I will try and relate the point. In fact I will only speak for probably another 60 seconds on this, Mr. Chairman, in any event but will relate it in my denouement along the lines of an O. Henry novel or short story.

In any event as I noted, I have some concerns with respect to this. These are not voices that are heard, but accordingly it's important that others speak out on behalf of these individuals. I would appreciate if the minister would undertake a proactive review of the impact of this type of fee on residents of nursing homes in order to ensure that we keep up the quality of life, be-

cause I find it hard to see -- and this is the link coming, Mr. Chairman -- how and why we would be spending more money on these facilities if we are not going to be able to fund them adequately in order to maintain the quality of life of those who reside in them.

Thank you.

MR. CHAIRMAN: Hon. Minister of Hospitals and Medical Care.

MR. M. MOORE: Thank you very much, Mr. Chairman. I'd like to respond to some of the questions that were asked and put during the course of later Friday morning and also today. I want to suggest at the outset, however, that it's not my intention to try to answer Mr. Chairman's questions that related purely to the operating end of the department but rather the capital end, but I also want members to be able to have any information they wish with regard to operating. So if there's something I haven't answered that relates to operating and members have a specific concern there, if they would please contact me personally or by way of memo or something, I'd be pleased to try and answer. I just don't want to go over the same ground I went over in my operating estimates but at the same time want to make sure everybody's got all the information they need.

On Friday the hon. Member for Edmonton Centre asked a number of questions, and I've just been reviewing *Hansard* and will try to respond to all of those as well as others which were asked today. First of all, the comment was made that there's a decrease in the capital in various areas in the vote here that would indicate some lack of commitment to certain kinds and types of hospitals. In fact, the situation with regard to capital is that it goes up and down a great deal, depending on where projects are at: in the construction stage or planning stage. For example, this year under other referral centres is an increase of 38.5 percent. That's because a major portion -- almost half the cost of the Lethbridge hospital -- is being paid out in this particular construction year. So the estimates that you see here in one given year, for one category of hospitals, bear little relationship sometimes to the commitment of the government to rebuild the hospital system.

I should also say that because we have been doing so much in the last eight years, in particular in rebuilding the hospital system, I hope this vote is going to go down rather than up over the coming years, because our concentration now should be on how to more effectively operate that system. We've literally rebuilt probably 60 to 70 percent of the system now and much of the rest is in the planning stages. I think there are probably only about three or four active treatment hospitals in the whole province that have not been approved for planning for new construction that still need to be considered, and then of course there are numerous requests for extended care beds that we have to consider.

If I could go then to the situation in La Crete that the hon. Member of the Legislative Assembly for Peace River and I have been working on for some time. It's actually coming along extremely well in that the community had requested an ambulatory care facility and we were in the process -- in fact, we had approved that at some \$1.9 million in costs -- and then I visited there with the Member for Peace River a few weeks back and the board of the northwest health and social services region that covers that area and has their head offices in High Level suggested that we might have a look at a different type of facility there that would, in their view, do them more good than the am-

bulatory care facility and actually cost less money. So we said to them, "If that is your proposal from the community, let's have a look at it." Since that time they have forwarded to me a very detailed proposal for a facility in La Crete that would be able to house medical doctors visiting there from High Level and Fort Vermilion and perhaps other places, and also a dentist, and provide some level of ambulatory care while at the same time providing doctors space to work in.

Hon. members should know, particularly the hon. Member for Edmonton Centre, that La Crete is only about 30 miles from the Fort Vermilion hospital and that we paved that road some years ago when I was Minister of Transportation. It is a very good road, and we have just rebuilt -- completed, I think, and opened two or three years ago -- a new hospital in Fort Vermilion. So it isn't as though there are not services in the area. I am concerned about building additional hospitals if they're not required, because you have to staff them and there have to be doctors and facilities there to look after injured patients. I suggested to the people in La Crete as well that they might look very carefully at expanding and improving their ambulance service, and I understand they made representations last week when the committee chaired by the MLA from Drumheller was in High Level undertaking hearings on our ambulance system. So a great deal of good things are happening in La Crete, and I'm confident that project will be under construction very, very soon.

The member also mentioned the facility in Valleyview, and that's under planning. I don't have the foggiest idea where the hon. Member for Edmonton Centre gets his information, Mr. Chairman. There is no million dollar upgrading program going on in the existing Valleyview hospital at all. We're hopeful that we can complete some work amounting to perhaps \$50,000 or \$60,000 on some rusted-out pipes this summer so that it will last in fact until the new hospital is completed. The new hospital is ahead of schedule in terms of the planning, and hopefully will go to tender within the next two years and be open, depending on how long construction takes, probably by 1990. That's at least some three years away, so it's necessary to do some minimal work on the existing hospital to keep it in shape. Perhaps the hon. Member for Edmonton Centre could ask his contacts in Valleyview, who usually only come out at election time, to visit the hospital and have a good look at it and find out firsthand what's going on there.

The hon. Member for Edmonton Centre asked about equipment in hospitals. Now, we have a very extensive equipment budget in the operating budget, which is about \$29 million this year for replacing existing hospital equipment. The only thing that's in this budget is the necessary funds to equip new hospitals that are newly constructed, and they all have adequate equipment in them for the programs they carry out.

The member also asked about private nursing home capital. The capital we're intending to provide to the private nursing home sector is an amount which would pay for 75 percent of the cost of completely upgrading their existing nursing homes based on the cost of a debenture. That's exclusive of land cost and other servicing costs that they might be involved with, so it's considerably less -- probably only about two-thirds of the costs that we incur for building, upgrading, or rebuilding the public nursing home sector. So it's still an excellent buy for us to be assisting the private nursing home sector with some capital improvements.

I'll just perhaps move from there to a number of other comments that were made by hon. members. The hon. Member for

Ponoka-Rimbey asked me some operating questions with regard to Ponoka hospital and asked if I could confirm certain facts regarding the hospital. I'm sorry, I'm not able to today, but again, if the hon. member would like to raise those matters specifically with me, I think I could perhaps provide more information. I do know that the hospital does in fact provide a great deal of service to the four bands located at Hobbema, and because of that it's probably busier than some hospitals with a similar population base.

A number of members mentioned the Walter C. Mackenzie Health Sciences Centre. Perhaps if I just focused on the words "health sciences centre" for a moment, members would understand why that facility is a higher cost operating than many. It is a very specialized, high-technical hospital that does high-technical work that isn't done, in many cases, elsewhere in western Canada. An example would be the heart-lung transplant program. It is a teaching hospital as well. Because of those factors and because it is a health sciences centre, which means a great deal of research goes on there and teaching, it is a higher cost operating than any hospital in the province. I don't know that there's very much we can do about that and I'm not sure there is very much we should do as long as we're getting good value for our dollar. It certainly has attracted the international scientific community in medicine to Edmonton, and that's a fact all of us ought to be extremely proud of.

The members asked about the schedule of the Northern Alberta Children's hospital. As members know, that's a very, very in-depth, time-consuming, and lengthy planning process that's involved with the Northern Alberta Children's hospital. It isn't expected that the entire planning will be completed, site located, and programming completed for some time yet. As a matter of fact, it will probably be about three years from now -- four years from the date of the original decision to proceed -- before we would be ready to call a tender. We haven't determined the estimated end cost of that project yet because we don't know the form and shape it will take. The present schedule has the project scope definition approved by the end of 1989. So we're looking at three years from last December, about two and a half years from now, Mr. Chairman, before we would have the scope of the project approved, the location, the number and types of beds, what other beds would close, and that sort of thing. Then, of course, the construction would have to occur after that. So it's a lengthy process, but it's one we certainly need to proceed with.

The Member for Calgary Buffalo asked a number of questions with regard to operating that I would be pleased to try to respond to at the more appropriate time, because they are upgrading ones. But I want to conclude, Mr. Chairman, by making some comment about the Lethbridge Regional hospital. First of all, if I could say this: there is not one hospital that has opened in the last year that has opened with 100 percent of its beds open the day it opened. Many, many hospitals in this province -- Cold Lake, Banff, the Mill Woods hospital here in Edmonton, the Peter Lougheed hospital in Calgary, Leduc, Grande Prairie, others across the province -- have opened with a number of their beds that have been built still closed.

Now, I don't know who decided in Lethbridge or wherever else in this province that we were building hospitals on the basis of the day the construction was completed, every bed would be open. If we are doing that, then surely we're not thinking very much about the future. Members are probably aware that for many years in this province hospitals were built and beds were not opened because they were built for future growth. The

Foothills hospital in Calgary is a very good example. When we came into office, many beds there were closed because it was built with future growth in mind. The other thing that has occurred over the last two or three years, Mr. Chairman, is that the anticipated growth when we planned some of these facilities -- and certainly Lethbridge is no exception -- hasn't occurred. So you're dealing now with a situation of fewer numbers of people to be served than you had when we actually planned the facility.

So in summary, it's not unusual at all for the Minister of Hospitals and Medical Care to be suggesting to hospital boards that we should open at a lower level of beds -- and sometimes programs as well -- than what was originally planned, particularly when you have a tough economic situation coupled with a population base that hasn't increased, coupled as well, Mr. Chairman, with a change from a projected requirement of 5.5 beds per 1,000 population for active treatment and acute care down to four beds per 1,000 population, which is our planning target for acute care beds that's been in existence since last November.

So that's the situation in Lethbridge: we do not require all of those beds to be opened. Now, if we were to close a number of beds at the St. Michael's hospital, yes, we could open more at the Lethbridge Regional, and in due course that's what will occur. The situation at the present time at the Lethbridge Regional is that the old Lethbridge Regional hospital is being replaced by a brand-new facility that costs \$16.8 million a year to operate. That's the budget during the current fiscal year for the old Regional hospital. The new hospital opened at a full complement of 305 beds that, according to figures provided by the Lethbridge Regional board, will cost just over \$37 million to operate. That's an increase of just over \$20 million in operating costs, one year over the next, for the new hospital over the old one. That's well in excess of a 100 percent increase in operating costs.

What I have suggested to the board is that we should try and open the hospital at a lower level with an increase in operating costs from the approximately \$16.8 million it costs now up to \$26.6 million, which is about a \$10 million increase in operating costs one year over the next, or a 60 percent increase. That's what is presently under discussion. It is our view, after looking at the bed complements there, that the \$26.6 million would open about 240 beds, move the emergency department from the Lethbridge St. Michael's hospital over to the new Regional hospital, and get all of the programs into operation that have been designed for outpatient and other kinds of care at that hospital. It would be an extremely fine facility, opened at a level of 240 beds.

It would be our intention then to sit down with the St. Michael's board and determine for the long term and in a permanent way the role of St. Michael's, which would involve some scaling down of their active treatment beds as we phase up their involvement in extended care beds. And while we don't have any numbers on all of that yet, the St. Michael's board has agreed in principle that they would phase down their active treatment beds and they have also requested -- although they have not received approval yet from our government -- that they be able to play a major role in auxiliary and extended care.

That was the plan I had in mind when I met with the Lethbridge Regional board some weeks ago, and I was in the process of discussing those matters with the regional board chairman during the course of the two or three weeks after we had met. At my suggestion he offered to have discussions with the chairman of the board of the St. Michael's hospital on that

same subject, and then quite suddenly, two weeks ago last Wednesday or Thursday, I was advised that by unanimous vote of the board the current board chairman at that time had been asked for his resignation. I'm told, although I've not received confirmation from the hospital board yet, that the reason for asking for the resignation is because he had been discussing with me and with the St. Michael's board the manner in which the Lethbridge Regional hospital might open. Well, I find that rather amazing; that a hospital board chairman would be fired by his fellow board members because he was having discussions with another hospital or with the minister as to how a hospital should open and at what level. Be that as it may, that apparently is the case.

Mr. Chairman, you raised some concerns about this and so have the hon. Provincial Treasurer and other members from southern Alberta. I'm hopeful we can find some way of instilling in the present board chairman and members of the Lethbridge Regional hospital some attitude of responsible fiscal management in terms of the opening of this hospital and that we can make a decision as to what level it's going to open, then make a decision as to over what period of time we scale it up to its full complement of 305 beds and make a decision as to what the future role of St. Michael's hospital is going to be. I'm prepared to do that, Mr. Chairman, but I'm not prepared to do it on the basis of threats by the Lethbridge Regional hospital board that it's 305 beds or else. I haven't had one single board anywhere in this province, when it comes to trying to reduce operating costs and open at a lower level, that hasn't been co-operative over the course of the 12 months I've been involved, and I'm hopeful I can say that about Lethbridge the next time we discuss this matter in the Legislature.

Mr. Chairman, I think those answer a number of the questions that were asked that involved capital. I touched to some extent on operating too. I just conclude by saying that if members have other questions about operating matters that don't pertain to the capital vote before us, I'd be pleased to review the *Hansard* or try and answer them outside the House if they want to direct a memo to me or chat with me about it, because there isn't anything in this system that is secret and every member is entitled to whatever information we can provide about the operating costs of the system and how it's working right across the province.

I just conclude, Mr. Chairman, by thanking all members for their interest and participation. That participation isn't by any means reserved just for the debate on estimates. Throughout the course of the year members from every constituency represented here in the Assembly have been anxious to talk with me about concerns they have about hospitals, and I've always had an opportunity for a good discussion I think with all MLAs about their hospital operations and I would hope they would take the opportunity to continue that dialogue.

Thank you, Mr. Chairman.

REV. ROBERTS: Well, Mr. Chairman, that was quite a statement by the minister about the Lethbridge situation in particular. But I'm wondering from it -- although I'd like to examine it more closely -- what he's saying therefore about the decision-making around the levels both of building hospitals and the levels of opening hospitals: how those decisions are made or on what basis they are arrived at. I'm still not clear, and I don't know that people in Lethbridge or in other areas throughout the province are any more clear, but there's a whole lot of politicking going on and there are a whole lot of pressures that are brought to bear from different quarters. The minister says that

other boards have complied with his wishes. I don't know whether that's because of the power of his office; that he's said: "It's this or nothing," and now he has a hospital board that says: "No, it's 305 beds or nothing." It would make a very interesting case study of what goes on in the heat of what people hold very dear, which is their hospitals and medical care, to know exactly upon what basis they are playing on the field here.

And I'm still not clear. For instance, with the Lethbridge decision, if the minister is going to keep it at 240 beds, or whatever he said, if it is . . . It sounded like it was a dollars and cents decision, that it was just a matter of the operating costs which had doubled from the old Lethbridge Regional to the new one, up to \$40-some million. I'm told by the people of Lethbridge that the reason they feel so adamant about this is that the difference between what the minister is proposing for 240 beds and the full complement of 305 is a difference of only \$6 million. So there's an economy of scale at work here as well and whether these economies of scale need to go into other considerations of building of hospitals throughout the province.

For instance, the minister has said over and over that the economic impact a hospital has in terms of its staff and the way it's serviced, and the whole economics of hospitals in a particular community, are quite significant. It has very little to do with what goes on in terms of the medicine or what goes on in terms of the politics, but the sheer economic impact of it is quite a significant consideration. Now, the minister seems to be saying, "Well, no. In this case, it's the dollars and cents. So for the \$6 million that it would cost to open the 305, that's too much. And despite whatever other economic impact it would have on the community, we have decided" -- or at least it seems like you've decided -- "not to open it at the level at which it is capable of being open."

So I would just beg -- and I know the minister has said, or at least it was said in the throne speech, that there will be a hospitals review or hearings or policy or something throughout the province. I've not heard anything about this in terms of what's going to be developing around that, but it would seem that some of the considerations people really want to know are: what is it that builds and operates hospitals? Is it the politics? I know at the Holy Cross, for instance, in Calgary, the politics of the former . . . Well, at least there's some politics around at what level the Holy Cross is functioning. Is it a matter of economics in terms of the operating, the capital construction, or the economic impact on the community? Is it the doctors or the medical requirement in terms of what the doctors want or what they feel they need to run a facility? Or is it the demographics?

The minister has said that the population is falling off. But the population is getting older in fact, and so the better we can treat elderly people in an active treatment wing and get them home -- that despite the fact the population may be decreasing, the population is in fact getting older. So the whole demographic data around the demographics going into the basis of decision-making around the level of building and the level of opening hospitals are all factors that are in the mix. I guess that's why I don't find it difficult for other people, whether in Lethbridge or La Crete or Grande Prairie, to know quite what the basic decision-making process is. This all seems to me -- again, it goes back to what I raised earlier in the department's estimates, Mr. Chairman. As I'm aware, there are no assistant deputy ministers for hospitals in the department. I was hoping one may have been hired, but it does seem that the whole megaprojects surrounding the hospital construction operating are rudderless in terms of no ADM, and whether the minister

has found a replacement for that, and if he has, who and what are the long-range plans? What are going to be the criteria around which hospitals are going to be built and operated, and who is going to be taking charge and responsibility, whether it's the big ones downtown or the ones in the cities and towns around Alberta?

So just a response to the minister's statements -- but two other particular items. One is: could the minister clarify if the 187 percent increase for nursing homes is solely for private for-profit nursing home operators in the province? The second specific point is about the beloved Royal Alexandra hospital and its capital expansion. The minister has said now he has the hospital's proposal in terms of the design around the new expansion. Is the minister going to be able soon -- out of the major urban medical referral, the \$87 million there -- to come to terms with, I believe, another \$70 million at the Royal Alex? Or maybe it's \$35 million or half of that. But at least there's going to be a big number of capital dollars that the Royal Alex is desperately going to need as soon as possible -- and what vote that's coming out of.

So general questions about how decisions are made anyway, in particular in terms about the department, nursing homes, and Royal Alexandra.

MR. CHAIRMAN: Hon. Member for Edmonton Highlands.

MS BARRETT: Thank you, Mr. Chairman. I have a couple of inquiries as well. The minister in his comments on Friday indicated that a number of new auxiliary beds would be opening under the Capital Fund program, some of which would be additional beds here in Edmonton. However, I wonder if the minister will acknowledge if even under the plan he's now implementing with this Capital Fund for his department, there will still be a shortage of auxiliary beds for the elderly in Alberta; and if that's the case, what plans he has to either expedite the process or find an alternative method to prevent the ill elderly from being stuck in active care hospitals, which are not environments conducive to their needs. I particularly refer the minister to the noise factors, for example, in active care hospitals, particularly in some wards, which can be extremely disruptive to those who have serious problems sleeping in the first place, which tends to occur as people age; but secondly, when they're ill and elderly that condition is exacerbated. That environment is not conducive to their well-being, to their improvement, to their health recovery, and so we have the human considerations, not just the monetary considerations of having all of these people in active care beds when in fact they should be in auxiliary hospitals.

Further, Mr. Chairman, it occurs to me that a number of nursing homes in fact are working in one way, to use this phrase, overtime to accommodate many of their residents who really should be in auxiliary care beds. They are doing what they can, going out of their way in attempting to keep these patients within the nursing homes so they don't have to do the alternative, the lesser of the evils; in other words, by turning them over to active care hospitals. The operators and staff of the nursing homes realize that would exacerbate their level of discomfort and do everything they can to prevent that scenario from taking place, but I think it's just a bit unfair that nursing homes, which are not designated for, you know, alternative hospital work, are being required to do that.

I have visited a number of facilities for the elderly in my riding and they are all concerned that this is happening at an in-

creasing pace while the support for home care for the elderly has been declining. Now, I notice that the funding for the auxiliary hospitals Capital Fund project shows an increase of 4.9 percent. Will the minister explain if this expansion is sufficient to meet the need of the elderly who are now either in nursing homes or active care hospitals and who should be in auxiliary hospitals?

Finally, Mr. Chairman, just to ask for further clarification regarding the question put by my colleague the Member for Edmonton Centre on the 187 percent increase for nursing homes. I always worry that the minister is going to answer in the broadest possible way, and I would like real clarification on this. My colleague asked: is this all for the private nursing homes? Is this all in compensation for their finally, after a 'gazillion' years, having special per diems attached to their operations? I'd like to know the actual breakdown, Mr. Chairman. I want to know what percentage of this 187 percent increase is going to be going to the private nursing homes and what percentage will be going to the voluntary and district nursing homes.

MR. CHAIRMAN: The Leader of the Liberal Party.

MR. TAYLOR: Mr. Chairman, thank you. I don't think I'll take too long. I've already written a letter to the minister on this. He had one of his assistants answer, and I appreciate the answer, but it seemed somehow or another it was a dialogue of the deaf between my question and the answer and what I occasionally talk to the minister on. Maybe I can get the idea across the floor better orally now. It has to do with the question. Mr. Chairman, of auxiliary beds and the shortage of auxiliary beds. There are cases where many of our senior citizens -- and others, of course, too, but more likely a higher percentage of them are senior citizens -- that are in active beds could be transferred to auxiliary beds if they were available.

However, there is a second part; they also could be transferred to homes. They still have families; there are families that are fairly close. However, my understanding is that if a more elderly citizen is taken home with the family and looked after, before they can qualify for any help or aid in this regard, it has to be considered in the welfare field or in the social service field. In other words, if the family is reasonably well off, they are expected to pay for the care of the person in their home. I guess that's a good old solid Conservative principle; it might even be a Liberal one at times. But the fact of the matter is that under our whole care system. Mr. Chairman, any family, no matter how relatively well heeled they are, given a choice of bringing somebody home from active treatment because there's no auxiliary hospital to go to, or even if there is an auxiliary to go to, will have a tendency, because they have to take up most of the funding out of their own pocket, to try to keep that person in the active treatment bed with all possible influence at their command and put them on the waiting list for an auxiliary and possibly float over to the auxiliary.

So I feel the minister should be looking at a system that maybe is not as questioning of the amount of aid that a family should have to look after a citizen that comes home from the hospital, and this in turn would free up a lot more auxiliary beds. In other words, if the family wasn't taking such a financial kicking when they took the patient home to look after them rather than putting them into an auxiliary hospital, there'd be a lot more stay in the home. The fact that many families of course can afford it isn't the answer. The point is that those same families that supposedly can afford it can also go on the waiting list without any regard of what their financial capacity is, to get into

an auxiliary hospital. So we have the auxiliary hospital waiting list I wouldn't say plugged, but certainly enlarged, by many people that could be looked after in the family home if the family were to receive some money. However, this minister, in conjunction with Social Services, seems to look at it as if it's a welfare scheme or something, and if the family has any money, they don't want to put it up.

Now, the common sense of that argument escapes me, Mr. Chairman, where the state will pay, not 100 percent but the major percentage, for a well-to-do family's relative in an auxiliary home and none for that well-to-do family's relative when they stay in the home. That makes no logic. It costs the taxpayers a lot of money to achieve a philosophical point of this government. Would the minister give any consideration -- it wouldn't take that much; a couple of smart STEP students, given a computer, Mr. Minister, could probably work out a system to aid these families that would make it appear as if there was a bit of a financial incentive to bring the relative home to look after him rather than a financial incentive to put the relative in an auxiliary home. I just wonder if the minister would . . .

I know the letter I got back from him -- maybe I haven't made my point clear yet -- absolutely missed the point entirely. It went on and on about wealthy people being able to look after these relatives that came home. That wasn't the point. Wealthy people can look after them, but the point is that well-to-do people aren't opting to look after them when they can put them, for very little cost into the auxiliary hospital system. So I say there should be some sort of a financial reward system to bring the relative home regardless of the financial acumen -- not acumen, the financial stability -- of the family and therefore take a lot of the pressure off the auxiliary hospital waiting list.

MR. M. MOORE: Mr. Chairman, perhaps I could deal with the question of the hon. member who asked about the funding of nursing homes under this vote. I was trying to review *Hansard*; I don't believe I indicated that these moneys were for private-sector nursing home upgrading. If I did, I apologize for that because there are no dollars in this capital vote for private-sector nursing homes. There is in the operating budget of my department \$1 million for assistance in upgrading private-sector nursing homes, and the reason it's in the operating budget is that we are going to pay that out on the basis of paying an amount equal to 75 percent of their debenture cost each year over 20 years after they have provided the capital and upgraded the home. It's really an operating cost to the department, so that is in the operating budget of my department.

The dollars that are in here have increased that amount because my predecessor a year ago announced a number of nursing home projects throughout the province, at Elk Point, Innisfail, Lamont Rimbey, Rocky Mountain House, Spirit River, Vegreville, and Westlock. The Westlock one is actually the Thorhild-Westlock. The moneys that are allocated here, the million dollars, are all for design consultant fees and programming for all of those projects. It runs roughly \$150,000 to \$200,000 on each one just for the programming and design costs of these projects, which will get under construction probably late this fiscal year or the beginning of next fiscal year. So there is nothing in there for private-sector nursing homes; that's in the operating budget. I may not have been clear on that on Friday last.

If I could just say one other thing, and I want the hon. Member for Edmonton Centre to listen carefully, because we do not provide funding for a new capital construction project when it's

announced in this budget. What we have is an ongoing cash flow requirement that projects several years into the future. It's close to a billion dollars now in projects that have been approved and will be constructed over the next five or six years. There is a small amount of money in here for planning, only, for the Edmonton Royal Alex hospital. There are no funds in here for construction at the Royal Alex, because as I explained in the House the other day, that project hasn't yet been approved. It was approved at one point in time at \$48 million, covering certain programming, and the hospital came back and said that that's not enough. They did another review which I've just received which we're now going over, and at some point in time we will approve another design, hopefully for planning. But then the dollars only go into this budget the day they start pouring the cement and they only go in there for the amount that's required each year.

And that's why this budget doesn't very well reflect what's happening sometimes, because it could be that one of these budgets will go up three or four times next year. Obviously, the nursing home budget, 187 percent increase this year, next year will probably be a thousand percent increase, because these eight or 10 nursing homes that were announced a year ago will by then be under construction and we'll provide the dollars here to build them. So I wanted to make that point.

The hon. leader of the Liberal Party was talking about an operating problem really, and I'm sorry, Mr. Chairman, but I must have been as lost by his letter as I was by his comments just now. It's probably because we in the government have never looked at the care of the elderly on the basis of who is wealthy and who isn't. We've said that everybody should have equal access to the system, and we haven't tried to create a way to encourage people with money to take their parents or grandparents or whatever out of the nursing home or the auxiliary hospital system. We think they are just as entitled to access to the health care system as those that are poor. Now, if the hon. member -- I'll reread his letter again and try and think about what the question actually is. We're not looking for a way to create incentives to take people out of the system just because you have money. Indeed, if that happens, that's great. We're looking for ways to ensure that we do have some responsibility in terms of people looking after their parents and grandparents and relatives to the extent that they can.

On the other hand, if the member's question related to the fact that there are some people staying in active treatment hospitals for long lengths of time and paying nothing, not even the \$14 a day we charge in the standard ward, then that is a problem we've looked at. We've looked at it on the basis of seeing if there isn't some way we can have active treatment hospitals have their patients assessed, and if they've been assessed for auxiliary care, then after 60 days to begin charging. I think maybe we can do something there.

The member would also be aware that in order to help hospitals cope with their costs, we have altered the regulations that allowed an individual, once that person was in an auxiliary hospital or nursing home, to stay there 120 days without any charge at all. We've reduced that to 60 days, so that's been helpful as well.

Mr. Chairman, those were the major questions that were asked.

MR. CHAIRMAN: Hon. Member for Edmonton Highlands.

MS BARRETT: Thank you, Mr. Chairman. Just one other

question. I was listening to the minister's response, and thank you very much for clarifying the business about the capital money for the private nursing homes. Can I get him to clarify two things? One is, he said 75 percent of the debenture costs; that is, the costs of having sold debentures, not the actual debenture size themselves. If he would clarify that, and the other thing is that he didn't mention, in response to my question, what kind of targeting he's been able to do to ensure that patients who are currently in active care hospitals will be able to get into the auxiliary beds. In other words, I had asked: has the minister looked to see if his capital fund is going to increase the number of auxiliary beds to meet the needs of the hundreds and hundreds of elderly who are currently in active care hospitals? If that's not being accomplished this year, will he identify a target date by which he would like to see that accomplished?

MR. M. MOORE: Mr. Chairman, I would like to perhaps answer those two questions quickly. On the capital assistance to private nursing home operators, we've asked the operators to look at rebuilding and upgrading existing nursing homes, many of which are 20 to 30 years old now, adding additional space, bathrooms, et cetera. Anything that should have been regarded as regular maintenance we won't be paying for, but if it's a major reconstruction and it costs, say, \$30,000 for a bed to reconstruct -- or maybe they'll decide to tear down their old one completely and build a new one right beside it. We'll say it's \$30,000 per bed; then they go and get a mortgage for 20 years and pay 10 percent interest or whatever. We will pay 75 percent of their annual costs on that mortgage for every bed they have full. Now, if the nursing home is only 50 percent full five years from now, then we'll only pay 50 percent of 75 percent of their total costs. So we're always protected; we're actually paying on a per bed basis. If they folded up five years from now and turned it into something else, then we don't pay anything for their capital. In addition, we will be paying nothing for land costs, in the event they decide to build a new one and buy land, or servicing the site; that will be the private sector's responsibility as well.

The second question was relative to auxiliary beds, in Edmonton in particular, and other members touched on this too. I'm not sure how many additional beds we're going to need over a period of time. We've got 346 beds coming on at the Edmonton General downtown here. We've got another 50 beds at the Allan Gray. We've got the '50 and '57 wings; that's 400 beds there. We've got the 1950 and '57 wings at the University hospital that we haven't decided what to do with yet; up to 300 beds there. So we've got a potential of 700 beds just with what's now been either announced or is possibly in the planning stages. I don't want to get in a situation where we've overbuilt auxiliary beds at the same time as we're trying to improve elderly patient care by things like the Youville centre and the day hospital programs. We're also going to be upgrading -- and this would be of interest to all members -- we are going to try and upgrade the manner in which we provide per diem payments to nursing home operators and auxiliary hospital board operators so that it matches the level of patient care.

Right now we provide about \$38.50 a day to a nursing home operator regardless of the level of care they provide and roughly \$110 a day, on average, to an auxiliary hospital operator. Now, they have different levels of patients, and there may be some encouragement for them to get patients in the nursing home system at the lower end of the scale in terms of the care required so that they'll have more money for nursing home hours for those

at the higher end of the scale. We're in the process, started almost two years ago, of a patient classification system that would classify patients into seven different levels according to nursing care, and then some percentage of the payment, probably about 50 percent, will be allocated on the basis of the individual patient's nursing home care requirements.

Of course, we've gone into building some integrated facilities like Mackenzie Place in Grande Prairie, where it's a combined auxiliary/nursing home and you don't even move from the room you're in if you go from one level of care to another. But the level of care from nursing home to auxiliary hospital, from \$50 a day to \$100 a day, is too big a jump, except that's accommodated now by hospitals offsetting higher level care patients with lower level care patients and doing their own internal adjustment of hours of nursing care. So we're involved in that, and that may be helpful as well.

We're also involved very extensively -- the Minister of Community and Occupational Health and myself, with some assistance from the chairman of the new long-term care committee that I just established, the M L A for Calgary Glenmore -- in figuring out how we can do a better job of providing day hospital services and day treatment services and services that keep people out of institutions. It's not true that Alberta has a higher rate of institutionalization of seniors than any other province. We're about third on the list now, but we still must aim to provide the best opportunities we can for people to be out of an institutionalized setting on a permanent basis. I just approved a couple of weeks ago a pilot project, at the request of the Victorian Order of Nurses on the south side of Edmonton, to provide some day treatment services on a pilot basis at two different nursing homes or auxiliary hospitals in south Edmonton. And I'm very hopeful that we can get private-sector organizations like the VON involved in those sorts of things. I think in other parts of Canada they've done an excellent job in providing treatment for elderly people, and they have the skill and the knowledge, coupled with the desire, to be involved in that.

So there are a lot of things we can do. The Kerby Centre proposal in Calgary: we've not yet responded fully to it because we want to assess again what they're proposing and whether 100 percent government funding is the right way to go or whether we ought to have some private-sector people involved there. By private sector I don't mean necessarily private-sector operators but rather religious organizations or organizations like the Victorian Order of Nurses, who are dedicated toward care of the sick and the elderly and have done a good job for many years.

So those are some of the directions we're going, and I don't believe right now we need to commit to any more auxiliary beds than are already planned in Edmonton, although it would be nice if we had the ones that were planned in place. We're a couple of years behind in terms of actually getting them in place. But I am hopeful that during the course of this planning year, a year from now I'll be able to say: "Yes, we now have a better knowledge of what we need in the future. We need another 200 beds, or 300 beds, or we don't need any. We're going to run six-day hospital programs." Those are the kind of things that we still have to do a lot of work on, because I think it would be again very foolish to embark upon building a bunch of auxiliary hospital beds if the 400 that are now coming down the pipe are going to be enough, and they could well be.

MR. CHAIRMAN: Edmonton Highlands.

MS BARRETT: Thank you, Mr. Chairman. Final comment. A

little prayer for the minister, I guess: may the wisdom that he's now enunciating with respect to the long-term perspectives for the care of the elderly in Alberta also come to dominate his plans when it comes to reproductive counseling and other medicare issues.

MR. CHAIRMAN: Leader of the Liberal Party.

MR. TAYLOR: Thank you, Mr. Chairman. I couldn't let the minister get away with any thought or leave any thought on the record that I was suggesting that means tests or different tests as far as wealth was concerned as far as access to the system -- quite correctly, it doesn't matter who you are; you're supposed to be tested whether you're in the active treatment or auxiliary or nursing home. But what I was saying, and what I want to get clear to him, was that there may be people out there -- and it would save cost to the taxpayer -- that are willing, are even able to take care of people that are now in auxiliary or nursing homes if they had more financial help in the home, and part of the financial part is making it available. You mentioned the Victorian Order of Nurses; this is a great idea. But what I am very afraid of, and I think any good Conservative should be afraid of too, is that right now, sure, the minister is short of beds. Times will come when he will have maybe a lot of beds, and he has to be afraid of any sort of government group -- it doesn't matter if you're Liberal or Conservative -- that starts to make everything a self-fulfilling prophecy, to make sure that if the beds are there, they've got to be filled. In other words, the bias will be to try to keep them institutionalized.

Although I know the minister's responsibility is to operate and run institutions, I think he has a greater overall responsibility; that is, to the taxpayers to provide the care that they want as reasonably and as cheaply as possible. So single-minded dedication to building institutions is not what I'd like to see in the minister. I'd like to see the minister consider -- and I know there's a number of cases I've had, both written and phoned, where people could take their family member into the family, and they're not too badly off, but they'd still like to have some money to help them out. Because if they're taking them out of the system, they are saving the taxpayer a tremendous amount of money. Some of those funds are certainly much less than it costs the taxpayer for auxiliary and nursing homes. If it was given to the family home to help them supplement, I think it would save the taxpayer and also maybe it might make it much nicer for the patient that's being handled.

I'll admit it opens a Pandora's box, because if they take money from society, we have a bit of a responsibility to see that it's run properly. You can't have grandma or grandpa locked up in the back room of a barn some place and no bathing facilities and so on and so forth. In other words, there'd have to be some home inspection; I agree. But I still think two things could be achieved: a lot less cost to the taxpayers and, at the same time, maybe a happier patient and a more fulfilling relationship in the family than we're now promoting by saying that it's either our institutional system or it's nothing. Admittedly, poor people in our society can qualify for social services, but I'm talking about the average Joe, and we're telling them now that either we're going to institutionalize your loved ones or we're going to do nothing. I'm saying that I think we can reach in, deinstitutionalize a lot of these people and, admittedly, take on a bit of a chore, the policing of the public moneys. But it would certainly save the taxpayer a lot of money, at the same time maybe coming up with a better quality of care, at least mentally, than they are now

doing.

MR. CHAIRMAN: Are you ready for the question?

MR. TAYLOR: [inaudible] . . . it's not clear, because every time he gets up to me, about every 20 days, and says he doesn't understand what I'm talking about, and I just wanted to know. . .

MR. M. MOORE: The hon. member's statement is now fully clear to me. I'm not sure I agree with him yet, but at least I understand.

Agreed to:

1.1 -- Minor Construction	\$19,260,000
1.2 -- Major Urban Medical and Referral Centres	\$87,745,000
1.3 -- Other Referral Centres	\$53,384,000
1.4 -- Specialized Active Care	\$5,120,000
1.5 -- Community-Based Hospital Facilities (Over 40 Beds)	\$32,557,000
1.6 -- Rural Community-Based Hospital Facilities (40 Beds and Under)	\$19,448,000
1.7 -- Auxiliary Hospitals	\$16,708,000
1.8 -- Nursing Homes	\$1,046,000
Total Vote 1	\$235,268,000

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

[Motion carried]

Environment

3 -- Construction of Water Development Projects

MR. CHAIRMAN: Hon. Minister of the Environment.

MR. KOWALSKI: Thank you very much. Mr. Chairman. To the members . . .

SOME HON. MEMBERS: Question.

MR. KOWALSKI: Well, Mr. Chairman, there are a few questions that were raised by hon. members with respect to the Oldman River dam and the construction of water development projects.

First of all, the documentation that all members have, vote 3, dealing with the request for this year of \$36.8 million, is relegated totally to the Oldman River dam. That's the only subject matter that it's for. Secondly, I would like to say at the outset that the costing figure that I indicated a year ago, that we would be hoping to bring this construction project to a successful conclusion on the basis of \$349.6 million in 1986 dollars, remains. The objective that I have for this year -- a little earlier I passed around two updates for hon. members, two pamphlets. One is the Oldman River Dam Update; this is issue 4 with respect to it. The second document is a schematic showing of basically what the dam will look like and some other materials associated with it.

Earlier this session, Mr. Chairman, on two occasions, on April 3 and on May 25 during two other estimates, a number of members raised questions with respect to the Oldman River dam. Perhaps it would be important right at the outset to just respond to some of those questions that have been raised. On

April 3 the Member for Edmonton Glengarry raised a question with respect to a required fish ladder on the Oldman River dam-site. We've been carrying through with a series of studies over the last period of time, studies not only with Alberta Environment but with officials from Alberta Fish and Wildlife, who basically administer the pertinent sections of the federal Fisheries Act and basically have determined that a ladder would not -- I repeat "not" -- be practical because of the height of the dam. However, we are going to be looking at the provision of alternate spawning habitat downstream of the dam that in our view and the view of Fish and Wildlife people in all likelihood would be much more beneficial to downstream fish populations.

The Member for Edmonton Glengarry also talked about recreational opportunities and highlighted that I would like to point out that we recently completed an inventory and an assessment and made these documents now public with respect to the recreation and tourism potential in the area. Those documents are currently being reviewed by a number of individuals in the area. The Member for Edmonton Glengarry also asked for further clarification of the recreation values of the dam and asked whether or not we had included them in the economic feasibility study that we'd undertaken some time ago with respect to this dam. I would like to point out that the recreation values of the dam were basically not written into the economic feasibility study that was done by Marv Anderson & Associates Limited, an economic feasibility study which basically indicated that there would be a 2.17 return to the province in terms of its investment. In other words, for every \$1 spent in investment in the Oldman River dam, the people of Alberta would eventually realize a return of \$2.17.

The Member for Calgary North West talked about Canadian content, and I would like to point out that there is a clause included in all of the contracts associated with the Oldman River dam. The clause basically says that the contractor shall use goods and materials of Canadian manufacture or production where obtainable and of suitable quality and price. All contracts to date have gone to the lowest bidder and have satisfied both Canadian and Alberta content requirements.

The Member for Calgary North West also talked about favoritism to certain companies and raised a question with respect to that. I would like to point out that all of the contracts with respect to the Oldman River dam have been tendered through an open tender process, with the lowest bidder receiving the contract.

The Member for St. Albert asked a question with respect to the awarding of contracts, and basically I've responded to that in the response that I just gave to the question from the Member for Calgary North West. The Member for St. Albert also talked about the engineering on site and wanted some clarification on that particular aspect and I would like to report that all engineering for the dam and related works is being conducted by Alberta engineers. The one exception is the specialized design of the control valves, which is being carried out in Japan by Mitsubishi Canada Ltd.

The Member for St. Albert also inquired as to the local content on the job, and members will recall that earlier I indicated that basically we were hoping to attain at least 30 percent local content; that is, that 30 percent of the workers on the dam would come from the local area. Members will recall that I defined local area to include those who lived within a circle of 40 miles around the damsite. I'm pleased to report now that at the end of April 1987 in fact local content amounts to some 77 percent of those who are employed at the damsite, and that's a very significant

figure -- a very, very significant figure.

The Member for St. Albert also talked about safety infractions. He wanted me to check to see if in fact there were certain allegations that were true. I'm pleased to say that those allegations were incorrect.

The member also raised the question about the vehicles being brought in from Burma with respect to the construction site. It's a very interesting story behind this one. In fact there was some equipment brought in from Burma with respect to the Oldman River damsite, but the equipment had been manufactured in Canada originally and had been exported to southeast Asia. The contractor then brought them back, and they satisfy all Canadian customs regulations and Canadian content with respect to that.

The Member for St. Albert also talked about unemployment. I've already indicated that approximately 77 percent of the labour required for the project has been supplied by surrounding communities.

The member also inquired as to the range of salaries. Recently there was one group of workers at the Oldman River damsite that unionized themselves, and I'm pleased to advise that all is working well. There are really no problems with respect to it. The wage scales have been those that had been agreed to by people on site.

Then on May 25, 1987, Mr. Chairman, there was another opportunity during another one of the estimates I'm responsible for, and a number of members raised a few questions with respect to this Oldman River dam. The Member for Westlock-Sturgeon raised a question with respect to fishing, and I've already responded to that question in the comments I gave with respect to the question raised by the Member for Edmonton Glengarry. Then on that same date the Member for Edmonton Kingsway raised a question with respect to cost-effectiveness of the dam, and I think I would be repetitious now to indicate that really the feasibility study that was done by an independent consultant, Marv Anderson & Associates Limited, had determined that the Oldman River dam project was economically feasible, with a return of 2.17 benefit/cost ratio to the province of Alberta.

The Member for Edmonton Kingsway also made some comments with respect to the Diefenbaker dam and cost-effectiveness, and I'd just like to point out that that's a different type of project that occurred in the province of Saskatchewan, different from the Oldman River dam. We are in need of irrigation water in the province of Alberta and would point out that currently there is a moratorium on the expansion of all major irrigation districts in southern Alberta until more water is available. That moratorium in fact was imposed by the districts themselves upon themselves.

I think, Mr. Chairman, that clarifies the questions that were raised of me on two previous occasions during this session. I would be very happy to receive more at this point.

MR. BRADLEY: Mr. Chairman, I just wanted to make a few comments with regards to this project because it is located in the constituency of Pincher Creek-Crowsnest. I must say that I'm very impressed with the local labour employed in the project to date. As the minister has indicated, originally it was anticipated that only some 30 percent of the labour force for that construction project would come from the local area, and it's very significant that to date 70 percent of the employment has been from within the local area and a very high percentage of goods and services supplied from the local area, which far exceeded the

anticipations when the project was announced. This is certainly having a significant effect in terms of employment in my riding because we've had some very high unemployment in the Crowsnest Pass due to the decline of the coal industry, and there are a number of people from that area in particular who've had the opportunity to be employed on the project. So I would congratulate the minister in terms of those benefits which the local area is experiencing from the project.

There have been some concerns expressed to me with regards to hiring practices and safety practices at the project itself, and I've reviewed those with officials in the Department of the Environment. They have investigated each of those concerns and generally have satisfied the inquiries that have been made to me. I should say that this is a very major project and is having a very major impact on the area. I note that successfully concluded land negotiations to date have been in the order of, I believe, over 80 percent of the land required for the project. Those negotiations have been successfully concluded, and I'm apprised that other negotiations are ongoing and that there's anticipation that most of the land will be acquired in the not-too-distant future. I congratulate the minister's department and the Department of Public Works, Supply and Services in terms of those negotiations that they've been able to conclude to date.

There are some items which are of course very important to the local area in terms of benefit from the project. There have been representations made to me with regards to local irrigation from the reservoir itself and looking at irrigation projects. I know that the department has had a number of irrigation feasibility studies and water delivery studies undertaken with regards to the project, and as those are concluded, there will be the necessity to review what in fact is possible in terms of local irrigation. It's certainly a commitment of mine that we would do as much as we can to assure that there would be water available and that irrigation locally would take place from the dam itself.

A second opportunity which we have locally is in terms of the recreation opportunity of the reservoir itself. I know that the minister has studies under way, working with local people to come up with a recreation master plan for the reservoir area in terms of its operation. I would like to see the recreation potential of the reservoir itself maximized. I know that the department as I say, has these studies under way, working with the local people, and I trust that we will see a significant benefit to the area in the longer term. Also, we have under way some archaeological and historical studies. I know there's a local committee that is looking with regards to some of the structures that are in the river valley itself, in terms of moving them and perhaps setting up an interpretive centre at Cowley utilizing some of these buildings, and it's something that is worth while and should be pursued.

The other concern that I know the department is working on is with regards to the fish and wildlife mitigation. A commitment has been made to see whether or not we could have no -- net zero -- loss in terms of the fisheries. Some very worthwhile work is being done, and I know the Department of the Environment and the Fish and Wildlife division of Forestry, Lands and Wildlife is also committed to that objective. It's something we must look at very seriously in terms of the mitigation studies which are under way.

From a local perspective I think the local advisory committee is working very well. The local people are very involved in the project. I detect that there is increasing support for the necessity of the project in the area; that is, the people are satisfied with the

need of the project and are looking forward to some of the benefits which the area can accrue when the project is finished. I congratulate the minister and his department for their understanding and work with the local people in terms of resolving some of these issues.

One final concern which has been expressed, and the minister is well aware of this, is with regards to the transportation network and the location of a certain road, and that depends on certain determinations as to where a bridge may be located. But there's been representations made, and I appreciate the minister's approach in terms of how that might come to a final resolution.

So those are the comments I wish to make, and I congratulate the minister and the department for their efforts to date.

MR. CHAIRMAN: Hon. Member for Edmonton Glengarry.

MR. YOUNIE: Thank you, Mr. Chairman. The minister was very brief in his answers to my questions, and I did appreciate both the answers and the brevity so that I would get a chance to get in and state a few additional points before 5:30. Much of what I was going to say was going to be reiteration of questions that hadn't been answered yet.

I do have a few other concerns about the Oldman dam project however, most related to the cost. One is the total cost per acre, and we've had some debate back and forth about what is the total cost per acre.

MR. CHAIRMAN: Order in the committee please. Can we have a little order? Hon. member.

MR. YOUNIE: Thank you. I will point out that I think I may have to read *Hansard* to be sure of all the answers the minister gave because during his speech the outside conversations were also very loud, so that at times I couldn't hear him. When one cannot hear the Minister of the Environment in here, some other people are being much more noisy than they should.

The total cost per acre, depending on whose figures you believe about what, is somewhere between \$1,700 per acre and \$6,000 or \$8,000 per acre. To make it very brief, I would just ask the minister: at what point does an irrigation project become too costly to be considered cost-effective? Would it be \$10,000 an acre, \$50,000 an acre, \$100,000 an acre? Where do we hit a point where he would say, "No, we won't do this irrigation project"? We found that a price between \$1,700 and \$6,000 an acre is not too expensive, so I'm wondering how far we have to go before we hit his breaking point when it comes to providing irrigation water at taxpayers' expense.

In terms of the tunneling and work that is ongoing there and being paid for, I've had to make the comment that the only part of the tunneling operation that's on schedule is the money and that the actual removal of dirt, or tunneling, is in fact well behind. But the cost of it is still on schedule, indicating, obviously, that it will either have to speed up and go over budget or go over time.

The minister talked about the percentage of workers, and I think it is very significant that he said, I think it was, that 77 percent of the workers are from the local area. He did not say that 70 percent of the hours of labour are being done by local people. Now, the reason I make that distinction is because some local people have made to me the distinction that the crew from Calgary primarily is in fact working full time and that the majority of people who are working there who come from the local

area are being called in one day a week, one day every three weeks. They are not working the same number of hours. So those 77 percent of the workers may not be providing much more than 15 or 20 percent of the hours of labour going into it. So I would hope the minister would check into that possibility and actually find out how many hours, percentage wise, of all the work being done is being done by local workers.

I'm also concerned about the local Canadian/foreign content involved in it. I had already gone over the update from May that the minister had kindly provided, and in fact it indicates that a company from Ontario has the contract for installation of spillway gates and stoplogs, that being Ecolaire Canada Ltd. I'm wondering if in deciding -- and I'm very glad to hear that we're using open tender; the Minister of Public Works, Supply and Services could use a hint on that. I do like to see it done that way, and I also like to hear that in fact it is the lowest bid in most cases, providing the quality of work is going to be there as well. I mean, we would not want the lowest bid to cause a lot of downstream flooding four or five years after it opens, so I would be concerned about quality as well.

But I'm wondering if the minister takes into account how much work will be done out of province in terms of steel production and so on, fabrication that could have been done in Alberta, and how much in the way of additional social services we are incurring, how much in the way of lost taxes for income earned by Albertans, and all these kinds of things -- if that's weighed into it or if it is just the bottom line on the two tenders that is compared. Because I think the minister can see that if we take into account all of the residual benefits by creating more jobs here and having every bit of the work done here if possible, maybe the lowest bid would not be the one most lucrative for the province in the long run. So I'm very concerned about that.

I'm wondering if we will get an accounting of what percentage of the \$349 million spent on the dam ends up in Ontario, in some foreign country, and so on, in the way of their profits, so that we can start to ask ourselves: what have we lost in terms of ongoing activity for Alberta because that money ends up going out?

One quick final point: the possibility of the dam being used for water diversion. I've brought this up before, and the minister always says, "No, we wouldn't consider water diversion out of the country." Yet it seems to me that one of the conditions of this dam actually irrigating as many acres as the minister says is pumping the water uphill into the St. Mary irrigation district rather than just letting it feed the Lethbridge Northern, and that in fact pumps it uphill enough to go over another watershed and into a watershed that flows south into the States rather than east into other parts of Canada. I'm wondering if in the long run that would not allow the dam to be used for diversion and the sale of water out of country, that in spite of the minister's assurances that that's not his present plan, in the future we might not see them say, "Well, my God, it will work, and there's lots of money to be made; let's do it." And then they'll say, "Amazing, isn't it, that although we never planned it, it all works so neatly?" I'm wondering if the minister could explain how much in fact the water will be pumped and diverted into another watershed to increase the number of acres to be irrigated, even if it's not for diversion purposes.

MR. CHAIRMAN: Hon. Member for Cardston.

MR. ADY: Thank you, Mr. Chairman. I'd just like to make a few comments on this vote to the minister.

First of all, I would like to congratulate the minister on following through on a government commitment to proceed with the dam and also to make the point that I think his department is doing an excellent job with the studies and the care he has taken as it pertains to the fish and wildlife and natural habitat for that type of specie in the area. I think he's proceeded in a very orderly fashion to take care that those species are preserved. I know I get phone calls from time to time in my constituency even though the water from the dam will not be diverted into my constituency. There are people who go there for a variety of reasons -- to fish or hunt or otherwise -- and they've had some concerns. I find they're being alleviated as the information comes from the minister's office on the care he is taking in those areas.

I'd just like to make the point that I am very supportive of the direction that his department and in fact the government are taking as it pertains to irrigation. We know that if the south is to prosper in the agricultural sector, it must have irrigation in order to accomplish that. Not only does it support a great number of people directly involved in the agricultural industry, but the rippling effect is considerable throughout the whole southern community. Not only will the dam provide an opportunity for people to enhance their livelihood directly in agriculture, but it will also have some side benefits as it pertains to unemployment. I know I have some people from my constituency who have gone over there and have been able to gain employment on the dam, and inasmuch as we have hardly any industry in the Cardston constituency, any opportunity for employment is very much appreciated.

In addition to that there will certainly be the recreational facilities that will be provided once the dam is flooded. That will serve a wide community area, not only for the Pincher Creek constituency but certainly over into the constituency I represent.

One question I would like to ask the minister is: at the present time is it possible for members of the Assembly to go and tour the dam in its present state? If it is, I would certainly suggest that that would be a good thing for many of us to do, and not only to tour the site but also to perhaps take a few minutes and talk to some of the people who it is projected will benefit from this dam, so that they can get the feeling of optimism that these people have for the benefits of the irrigation that will be enhanced in the area downstream from the Oldman River dam.

I don't have any other comments or questions other than again to congratulate the minister on carrying through and the manner in which he's carrying out his commitment to construct this dam.

Thank you.

MR. CHAIRMAN: Hon. Member for Cypress-Redcliff.

MR. HYLAND: Thank you, Mr. Chairman. I think most of the comments I was going to make and the questions were the same as those of the Member for Pincher Creek-Crowsnest, so I'll pass.

MR. CHAIRMAN: Leader of the Liberal Party.

MR. TAYLOR: Yes, Mr. Chairman. I am going to try once again to pry some information out of the minister. I've taken the charitable view in the past that he just didn't know what was going on in his department rather than that he was deliberately trying to dodge any answers. But this way I will go after him again and maybe also, if he does his usual nimble-footedness

around the issue, the NDP, as they've been wanting to do in the past, will come in and rescue me and tell him how nasty he is. But, Mr. Chairman, I . . .

MR. CHAIRMAN: Hon. leader, the Chair put the question to the committee: questions, comments, or amendments to the vote -- not going after anybody.

Hon. leader of the Liberal Party.

MR. TAYLOR: All right, Mr. Chairman. To forestall that, he will say that the question has nothing to do with construction. I notice that "Alberta Environment is responsible for the planning and development of the dam and related works . . ." Related works. So I don't want the minister to say that unless it's moving a piece of dirt from A to B, he can't answer.

First of all, I'd like to find out from the minister whether there are any studies of the water consumption that would be taking place under the standard old system of no limit -- in other words, there is a certain amount of fee and then no metering -- whether his department has made any studies as to how much use would be made of the water if indeed water metering took place.

I wonder also if the minister has done any studies to determine that if water metering were to take place, would it be possible to change the present ratio of crops being irrigated by water in southern Alberta and water planned to be used from the Oldman River. In other words, is the present ratio of irrigation of approximately a third for grazing and a third for grains and a third for high use -- real use -- of water going to continue, or would water metering change that?

Has the minister's department done any work at all to determine whether there could be a system of root irrigation rather than ditch irrigation used, what conservation that would make in the use of water, and whether indeed also -- while we're on it -- the users of water would have a different rate as to the crop that they're using? In other words, has the minister considered that if the user of the water, metered or not, is using it for grazing purposes, his or her rates might be higher than normal, than somebody that was using it for market gardening, bearing in mind that water used in southern Alberta -- largely created through the dams, at the taxpayers' expense -- for grazing in effect competes with ranchers in the foothills or in northern Alberta who do not get that kind of subsidy to grow grass for their cattle?

MR. CHAIRMAN: Order in the committee, please. Sorry, hon. member.

MR. TAYLOR: Are you having trouble with the noise?

MR. CHAIRMAN: The Chair's concern is that hon. members of the committee can hear the hon. leader. Hon. leader of the Liberal Party.

MR. TAYLOR: I'm only worried about the minister hearing, Mr. Chairman. He's listening very closely, I noticed, and I compliment him for it.

In other words, the users of water would be charged less for the volume of water if it was used for raising crops that cannot be grown in dry lands or in central Alberta or in the foothills. In other words, I'm taking something like -- oh, let's pull something off the top of my head -- sugar beets. Maybe the raiser of sugar beets should get their water cheaper volumetrically than

the user of the water that's used for grazing -- to turn out grass for grazing land -- which indeed means that that person is using it to compete against other farmers in Alberta that do not get the use of water to help raise hay.

I'm also interested, Mr. Chairman, if the minister in his planning has looked at the delivery of water to the land through pipelines rather than ditches, in view of the fact that pipelines do not raise the temperature of the water like a ditch does and cut down a certain amount of algae and other growth that comes from water temperatures. Indeed, if the water is metered, it may well be that a pipeline system rather than a ditch system would be of better value, but at least have a cost comparison. For instance, I have done much work in Israel, and long ago they abandoned the ditch concept for the pipeline concept, and it seems to pay off. They seem to be able to show studies, that satisfied me anyhow, that it paid off.

Lastly, if the minister is in the design system and working on the dam . . . Again, in this budget has any money been set aside to do any studies as to what equipment may or may not be necessary along the irrigation system to monitor the runoff of chemicals, fertilizers, herbicides, and pesticides, some sort of a central monitoring system to see whether the water that's returning off the land, after it's been put there for irrigation -- what percentage of hazardous chemicals it is carrying back into the system?

Those are all questions, Mr. Chairman, that I'm certainly interested in learning more about. I'm not too sure if I've backed the minister into a corner and I've shot myself in the foot -- because he will now get up and say he's run out of time -- or whether or not it is possible to turn it over and take a couple of minutes. I suddenly woke up the minister of transport, and I'm sorry for that, but thank you, Mr. Chairman.

MR. CHAIRMAN: Hon. Member for Edmonton Beverly.

MR. EWASIUK: Thank you very much, Mr. Chairman. I wanted to make a few comments relative to this particular estimate. It's not dealing with the water as such; it's dealing with the land acquisition relative to this particular project. I'm assuming it's in order to discuss it.

Mr. Chairman, I'm speaking as a result of a communiqué that I received from a resident near the reservoir area who has lost half of his farming operation due to a policy that this government has implemented relative to the leasing of land back to the farming community after they've purchased it for the reservoir, a family by the name of Davis that had been farming the Brandl land for some nine years. They had no lease arrangement, and he didn't farm the land last year because the former owner had to farm it prior to selling to the government. This apparently was necessary because of some tax provisions. Of course, the government policy then changed to lease the land only to farmers who lived within the reservoir area. It so happens that the Davis property is just outside the reservoir area but the leased land is in the reservoir area. Consequently, because of the policy the government adopted, these folks cannot continue to lease this particular land, nor could they in fact even apply to lease it. The individual that did get the lease on that particular property does not have land directly affected, but his father does. They are two separate operations, but the son does in fact lease the land from his father. So it's in a rather peculiar way that enabled the one particular family to be able to lease the land whereas the original lessees prior to the development of the reservoir could not.

There's another family in the area that has acquired some 240 acres of land adjacent to the reservoir, but this does not affect them directly. Mr. Chairman, the community wishes to have the least disruption as possible as a result of this . . .

MR. CHAIRMAN: Order please. The Chair hesitates to interrupt the hon. Member for Edmonton Beverly; this is government business. Hon. Government House Leader.

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

[Motion carried]

[Mr. Speaker in the Chair]

MR. GOGO: Mr. Speaker, the Committee of Supply has had under consideration the following resolution and reports as follows.

Be it resolved that there be granted to Her Majesty for the fiscal year ending March 31, 1988, a sum from the Alberta Capital Fund not exceeding the following for the purpose indicated:

Hospitals and Medical Care: \$235,268,000 for the construction of hospitals and nursing homes.

The Committee of Supply has had under consideration certain resolutions, reports progress thereon, and requests leave to sit again.

MR. SPEAKER: Do you all agree with the report and the request for leave to sit again?

HON. MEMBERS: Agreed.

MR. CRAWFORD: Mr. Speaker, the Assembly will be in second reading of Bills tonight at 8 o'clock.

[The House recessed at 5:31 p.m.]

