

LEGISLATIVE ASSEMBLY OF ALBERTA**head: INTRODUCTION OF BILLS**

Title: **Wednesday, August 9, 1989 2:30 p.m.**
Date: 89/08/09

[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 VISITORS

MR. FJORDBOTTEN: Mr. Speaker, it gives me a great deal of pleasure to introduce to you and through you to members of the Assembly his Excellency Edward Ney, Ambassador of the United States, who is here on an official call to the government of Alberta. He's accompanied by Mr. Bob Kott, United States Consul General in Calgary. They're seated in your gallery, Mr. Speaker, and I would ask that they rise and receive the traditional warm welcome of this Assembly.

head: PRESENTING PETITIONS

MR. MITCHELL: Mr. Speaker, I rise to present a petition to the Legislative Assembly directing that the government establish provincewide toddler talk programs, which are programs to support mothers and families in their efforts to raise their children. This program has received a great deal of endorsement and success in the west end of Edmonton.

head: NOTICES OF MOTIONS

MR. SPEAKER: The Member for Calgary-Mountain View.

MR. HAWKESWORTH: Thank you, Mr. Speaker. I rise to give oral notice of my intention to move, prior to the calling of Orders of the Day and pursuant to Standing Order 40, the following motion:

Be it resolved that this Legislature condemns the federal government's plans to impose on Canadians a regressive and inflationary tax on goods and services and conveys to the government of Canada the message that a reformed taxation system by which wealthy individuals and corporations pay their fair share of tax is the preferable means of reducing government deficits.

MR. SPEAKER: The Member for Calgary-Buffalo.

**Bill 255
Non-Smokers Health Act**

MR. CHUMIR: Thank you, Mr. Speaker. I request leave to introduce a Bill, being the Non-Smokers Health Act.

This Act would ensure the right to clean, smoke-free air for employees in Alberta workplaces, with provision for designated smoking rooms with independent air ventilation.

[Leave granted; Bill 255 read a first time]

head: TABLING RETURNS AND REPORTS

MR. ORMAN: Mr. Speaker, I take pleasure in tabling with the Assembly the 1989 annual report for the Alberta Oil Sands Technology and Research Authority.

head: INTRODUCTION OF SPECIAL GUESTS

MR. SCHUMACHER: Mr. Speaker, it's my distinct pleasure today to introduce to you and through you to members of the Assembly the distinguished representative of the 39th legislative district of the great state of Louisiana, the hon. Ted Haik. Mr. Haik is accompanied by his wife and three children on his visit to our province. I would ask Mr. Haik to rise and receive the traditional warm welcome of the Assembly.

MR. SPEAKER: Leader of the Opposition.

MR. MARTIN: Thank you, Mr. Speaker. I'd like to introduce to you and members of the Assembly two out-of-town guests visiting from Richmond, British Columbia: Tom and Laura Jean Nicoll. I believe they're in the public gallery. I'd ask them to stand and receive the traditional warm welcome of the Assembly.

MR. MAIN: Mr. Speaker, with us today is a gentleman I'd like to introduce to you and the other members of the Assembly. Mr. Bob Maskell is the principal of Victoria composite high school, also the chairman of the Alberta Library Board, a friend of art, culture, and literacy in Alberta and, not incidentally, a constituent of Edmonton-Parkallen. I'd like him to rise and receive a warm welcome today.

MR. SPEAKER: The Member for Edmonton-Meadowlark.

MR. MITCHELL: Thank you, Mr. Speaker. I rise to introduce to you and through you to the members of the Legislature two women who are here in support of the petition that I presented earlier. They are Colleen Howe and Isobel Wells. I ask that they rise in the gallery and receive the welcome of the Members of the Legislative Assembly.

MR. SPEAKER: The Member for Athabasca-Lac La Biche.

MR. CARDINAL: Mr. Speaker, thank you. On behalf of Mr. Steve Zarusky, the Member for Redwater-Andrew, who is absent today, I'd like to introduce to you and through you to the Assembly a group of 36 senior citizens, pioneers of Alberta, who I am very proud to introduce at this time. They're seated in the members' gallery, and I would like them to stand up and receive the traditional warm welcome from the Assembly.

head: ORAL QUESTION PERIOD

Federal Sales Tax

MR. MARTIN: Mr. Speaker, to the Premier. There's absolutely no doubt that Michael Wilson's goods and services tax will be disastrous for Alberta and Alberta families. It's regressive and inflationary. It also invades our jurisdiction over the collection of revenues from oil and gas production. If you like, it's almost the return of the much-hated PGRT. It will take more than \$600 out of the pockets of the average Alberta family. Now, the government says it's going to fight Ottawa. Well, people get a little nervous when this government goes to fight Ottawa. Remember the Premier with his fist up going to fight about high interest rates during the provincial election? He came back TKO'd in the first round, and it cost Alberta taxpayers a lot of money. My question to the Premier, then, is simply this: where was the Premier during the federal election, when he could have made this a major issue during the campaign and could have had some impact? Why didn't they talk about it then?

MR. GETTY: Mr. Speaker, I think it's clear to everybody in Canada that the government of Alberta has led the fight against the national sales tax, as well, as a matter of fact, as the matter of high interest rates. I must say that there's no question in terms of the interest rates that we've been able to focus public attention on them, and I believe that has worked on Mr. Crow and the federal government. I believe it's also working in terms of the sales tax.

MR. MARTIN: That's news, Mr. Speaker. Interest rates keep going up, and now they announce that they're going to go ahead with the national sales tax. I want to ask the Premier this again. Instead of holding up Brian Mulroney's hand at Harry Ainlay, saying he was good for Alberta, why didn't he make this a major issue during the federal campaign?

MR. GETTY: It was interesting, Mr. Speaker, when the opposition stressed that free trade would be the number one issue, and their federal parties as well. That obviously was so important to the people of Alberta that the province and our government wanted to make sure that that free trade initiative was not lost.

MR. MARTIN: Well, Mr. Speaker, that's an absolute cop-out, and the Premier knows so.

My question is to the Treasurer. He said yesterday that he had some plan again to fight Ottawa. It seems to be a secret right now, but will the Treasurer tell us what he intends to do to fight this regressive tax? [interjections]

MR. SPEAKER: The Treasurer.

MR. JOHNSTON: Well, Mr. Speaker, the Premier has already outlined that starting in the fall of 1988, it was the province of Alberta that consistently, time and time again took on the issue of the federal sales tax. I remind the hon. member that while we agree with his position, it was us, the Conservative Party of Alberta, that made it publicly clear what this tax would do to our province. We talked about the inflationary impact. We talked about the impact on interest rates. We talked about the impact on our sector here in Alberta. As a result, the federal government has now confirmed essentially what we said. So you see that the outline of that policy was clear. We did take the initiative. We did outline the weaknesses and the challenge to our province if this tax proceeded, and now the people of Alberta and the people of Canada understand clearly what is being done.

At the same time, other provinces have now joined with the province of Alberta to ensure that jurisdictional questions are protected, to ensure that their own revenue base is protected, to ensure that intrusion into their own jurisdiction is guarded. That in itself is a major change, a major inroad, and is in fact the shape of the policy the province of Alberta outlined some time ago. It's now about time that the Leader of the Opposition got onside. Far too late, Mr. Speaker, far too late.

MR. MARTIN: They're doing nothing, Mr. Speaker.

Responsibility for Regulating Principal Group

MR. MARTIN: My second question is to the Premier. This government's credibility has been totally shot with the revelations about what happened with the Principal Group and how they handled it. We have said right from that time that a junior minister, the Member for Three Hills, was not making all these major decisions. It was right at the top levels of government, including this Premier, who has refused to accept any responsibility. Yesterday and in the previous few days the Member for Three Hills has made it clear that the top levels of government were involved, including this Premier. It is now time for this Premier to come clean, accept some responsibility, tell us what was going on, and not hide behind the Code report. My question is to the Premier. The Member for Three Hills said that the task force was disbanded by the Premier, and she was removed from her portfolio. To this day she still doesn't understand why, nor do Albertans understand why he did these things. Will the Premier now tell us why he moved the minister from Consumer and Corporate Affairs and disbanded this task force?

MR. GETTY: Mr. Speaker, it's really strange. The hon. member is now quoting secondhand reports on what he thinks somebody said. We did, in fact, have a two-year inquiry under the Court of Queen's Bench of Alberta, where Mr. Code went in exhaustive detail into all these matters and then provided us with the Code report. In addition, we ordered the Ombudsman to do likewise in terms of looking at the government's role, and that is coming, as I mentioned recently in my response to the Code report. So to have the Leader of the Opposition now try and draw some red herrings into this issue that has probably in the history of Alberta never had such an exhaustive inquiry.

MR. MARTIN: Mr. Speaker, this Premier stands up day in and day out not accepting any responsibility, hiding behind the Member for Three Hills, and she's had it; she's talking.

My question is again to this Premier, in case he didn't under-

stand the question. Why did he move the minister from her portfolio, and more importantly why did he disband that task force? Did he know something he's not telling the people of Alberta?

MR. GETTY: Well, Mr. Speaker, as I said, those were all matters covered by the Code inquiry. The hon. members may not like it, but the inspector did cover them and dealt with it.

MR. MARTIN: Mr. Speaker, in other words, the Premier knew full well what was going on from the Hyndman memo, and he was making moves, and now he refuses to accept responsibility. That's what's really happening, isn't it? Tell the truth to the people of Alberta.

MR. GETTY: I can't understand the hon. member's position, Mr. Speaker. These matters were dealt with first by Mr. Code, presumably they're being dealt with by the Ombudsman, and of course I dealt with them myself in the response to the Code report.

MR. McEACHERN: You didn't.

MR. GETTY: Now, it's true that the hon. Leader of the Opposition may not be able to comprehend them. Nevertheless they've all been dealt with.

MR. McEACHERN: No answers.

MR. SPEAKER: Order please. Edmonton-Kingsway, we've been through this last week; we're not going through it again this week. [interjections] Thank you, hon. member. The Chair will deal with it without any instructions about settling down. [interjection] Thank you, hon. member.

MR. DECORE: Mr. Speaker, I think it is true that the longer you wait, the more the truth is known. The former Minister of Consumer and Corporate Affairs has, in fact, given a second revelation on the Principal Group fiasco. The former minister has informed Albertans that there were, in fact, two task forces, but a new task force that the minister attempted to set up was squelched by the Premier. The former minister has also revealed to Albertans for the first time that two senior civil servants didn't do their job. My question is to the Premier. Given that there were senior civil servants involved in this Principal Group fiasco who had the responsibility of informing ministers, why hasn't the Premier and why hasn't the government taken action with respect to the deputy minister and others who should have been fired for their inaction or negligence in this matter?

MR. GETTY: Mr. Speaker, the question could only come from a member who has not read the Code report. I'm particularly puzzled by his reference to the two members of the public service. They are dealt with in the Code report. They are no longer with the government, but they are clearly dealt with in the Code report.

MR. DECORE: Well, I wish you would have read the report, Mr. Premier, and you haven't, sir.

Mr. Speaker, my next question is to the Premier. Knowing that there were two task forces put into place that were canceled by the Premier -- that's clear from the Code report -- why is it

that the Premier canceled or squelched this third task force that the former minister wished to set up with respect to FIC and AIC? A third task force.

MR. GETTY: Mr. Speaker, the only thing that becomes obvious from the hon. member's questions is that he doesn't know what he's talking about

MR. DECORE: Mr. Speaker, the stonewall continues.

Mr. Speaker, the final revelation and the most stinging of all insofar as the Premier is concerned is the fact that the minister asks the Premier to take the blame for his responsibility, for his involvement. Mr. Premier, will you accept responsibility for this fiasco and stop this nonsense of daily questions being put to you on this matter?

MR. GETTY: Well, Mr. Speaker, if the hon. member wants to describe his questions as daily nonsense, I am perfectly prepared to agree with him. I would only draw to his attention: please, no more of these puffballs.

Gas Exports to U.S.

MR. PAYNE: Mr. Speaker, Alberta's gas producers recently concluded an historic vote in support of long-term gas exports to the northeastern United States. These export contracts would see 350 million cubic feet of gas daily flowing through the proposed Iroquois pipeline for sale to 18 distribution companies in Massachusetts, New York, New Jersey, and Connecticut. Can the Minister of Energy detail for the Assembly the implications of this export development for petroleum industry activity in this province? [interjections]

MR. ORMAN: Mr. Speaker, I notice that some of the MLAs from Edmonton may not be interested, in the opposition, but I'm certain the MLA for Calgary is interested because the level of activity in the province has been a concern to us all. I think it should be shared by the NDP.

Mr. Speaker, this is an initiative that is welcome in the industry. As I have just indicated, there has been a low level of activity in the province. It has concerned us as a government, but we recognized that the level of activity in large part was due to the constraints on pipeline capacity out of this province into new markets. I should also point out that this initiative is probably one of the most significant economic initiatives that has hit this province this year. It will play a role, I hope and I believe, in increased activity within the industry. We tend to overlook the nature of this initiative, Mr. Speaker, because of our focus on diversification and because of the complexity of this particular industry, but this project, as the hon. Member for Calgary-Fish Creek pointed out, is a major initiative, and it affects long-term contracts for Alberta natural gas into a new market: the northeast. The industry welcomes it with open arms.

MR. PAYNE: As encouraging as these export developments are, however, Mr. Speaker, can the minister speak to the concerns that many Albertans have as to our gas reserves? Are they in fact sufficient to support the Iroquois project and the major potential export opportunities now on the drawing board?

MR. ORMAN: Mr. Speaker, one of the questions that does come up, of course -- and it's a good one -- is the amount of re-

serves in Alberta for natural gas in the context of major pipeline projects into the U.S. This particular project, which the member pointed out was 350 million cubic feet a day of gas, is well within Alberta's capabilities. We have in this province, some would say, in excess of 200 trillion cubic feet of established and prospective reserves for natural gas. Certainly now that we have pushed this surplus bubble through the pipeline and into a new marketplace for Alberta natural gas, it will increase the activity that will replace those reserves. Certainly there was no activity when the pipelines were full and there was no opportunity for new natural gas sales, but it is well within our capabilities.

Now, with respect to other pipeline projects, we have equally exciting projects into the midwest, in California. Whether or not Alberta reserves can support all of those projects, Mr. Speaker, is something that we will watch very closely and will be involved in the determination thereof in the near future. But certainly this project, together with some of the others on the drawing boards, is very encouraging for the industry.

MR. PAYNE: In a time, Mr. Speaker, when all governments, including our own, are facing significant revenue pressures, can the Minister of Energy or perhaps the Provincial Treasurer indicate to the Assembly the government's expectations of royalty revenues associated with these additional gas exports?

MR. ORMAN: Mr. Speaker, the royalty revenues are one aspect of it. There is another aspect of it, and that's the economic impact of pipeline facilities within the Nova system within the province of Alberta and the expansion that TransCanada PipeLines will be embarking on outside of this province into the United States market. I can tell you that it's in the range of about \$1.5 billion to \$2.5 billion of pipeline construction that will result from this initiative together with other initiatives for new natural gas markets.

To directly answer his question, Mr. Speaker, in 1991 this will result in about \$310 million worth of natural gas sales to the United States. In that respect, the royalty revenues in 1991 will be about \$75 million per year, depending on price at the particular time. These are 10- to 15-year contracts. You can see that it is well in excess of \$800 million to \$1 billion of royalty revenue over the life of these contracts, something very significant to the economic future of this province.

MR. SPEAKER: Edmonton-Jasper Place, followed by Westlock-Sturgeon.

Applied Polymer Products Inc.

MR. McINNIS: Thank you, Mr. Speaker. Applied Polymer group of Edmonton has produced at least five different end products from waste plastic pop bottles which are collected under the Beverage Container Act. On July 28 the principal owner of Applied Polymer, Cliff Rondon, met with the executive assistant to the Minister of the Environment, Mr. Rod Love, and with Mr. Jim Armet of the office of the minister of economic development. The meeting discussed the fact that there is no provincial assistance available to this company, which has invested some \$25 million to \$30 million to date. I think there was a loan guarantee a few years back, which was paid in full. The two executive assistants were informed that Vencap had been offered 80 percent of the shares in the company for \$6.5 million. The assistants offered that the ministers would light a

fire under Vencap to get an answer out of them. Well, zero hour passed, the company closed, and there's still no answer out of Vencap. I wonder if either minister could inform the House as to what became of the fire that was to be lit under Vencap.

MR. ELZINGA: Mr. Speaker, what we did do, as the hon. member indicated, after the principals met with the executive assistant of the Minister of the Environment and my own, is we had communications with Vencap. They indicated that they wished additional financial information from the principals of the company so that they could do a thorough assessment. They had indicated their regret, though, that they could not do it in the time period which had been requested of them. Vencap is very much willing to look at this proposal, as it is the type of endeavour they would like to involve themselves in in the event that they have the proper financial information that they could work from.

MR. McINNIS: It's hard to accept. Vencap's been on this for two or three years at this point in time. Zero hour has passed. The company is closed. I wonder if the minister would explain why it is that the petrochemical industry, which produces a similar product using raw resources, gets hundreds of millions of dollars in feedstock subsidies free of charge, while this company can't sell 80 percent of their shares to a provincial agency for \$6.5 million.

MR. ELZINGA: Mr. Speaker, I'm sure the hon. member would wish Vencap, which is at arm's length from the government, or ourselves to do a thorough assessment. As has been the case in the past, in the event that we do have some companies which do not do as well as others, we face some certain criticisms from the opposition members for our involvement. We want to make sure that we do it on a sound economic base when we do involve ourselves by way of loan guarantees or investment purposes with various companies. We're very much willing to work with this company. It's sad that they came to us at the last minute rather than working with us prior to this time period, but we're still going to follow through and see if there's any way we possibly can be helpful to them.

MR. McINNIS: Supplementary to the Minister of the Environment then. I appreciate that the minister may have some difficulty establishing his recycling strategy when there are no recycling industries left in the province, but I wonder if he's going to stand by and allow this material to be landfilled in a dump when it could be manufactured into a valuable material by an Alberta-based company.

MR. KLEIN: Mr. Speaker, I would like some time to assess the situation. As the hon. minister pointed out, the principals of the company spoke to officials from my department for the first time on Thursday. As a matter of fact, it was 2 o'clock on Thursday afternoon in room 410. They asked for \$6 million at that particular time and said that they had to have it by Tuesday. I think my executive assistant said that he didn't have his cheque book with him. You just can't do things that fast. We would like to assess the situation. We would like to work with these people in a reasonable fashion. We would like not to adhere to the NDP philosophy of turning large fortunes into small fortunes and do things in a reasonable fashion.

Dumping Sewage into Rivers and Streams

MR. TAYLOR: Mr. Speaker, to the Minister of the Environment I gave him notice about this about three weeks ago, so he should be ready.

The minister is aware, I'm sure, about the fish kill in the Wabash Creek just near Westlock about a month ago by the dumping of Westlock's sewage settling pond into the creek. The minister is probably also aware, Mr. Speaker, that as of 1985 there were over 300 towns in Alberta that were authorized by his department to dump retention ponds once or twice a year into the creeks. That's 81 percent of the sewage facilities in this province. My question is: given that our farmers or rural people are starting to get pretty fed up with Environment allowing sewage to be dumped in our creeks and streams, when is the minister going to order a halt to the dumping of raw sewage ponds?

MR. KLEIN: I really don't know, Mr. Speaker, when I'm going to issue an order calling for a halt to that particular situation until we've had a chance to examine it in detail. There's a situation in the city of Edmonton, for instance. Because of lack of attention paid to the development of an adequate sewer system in this particular municipality, the city in times of heavy rains is forced to dump raw sewerage into the North Saskatchewan River. There are different circumstances for different municipalities. The hon. for Westlock-Sturgeon is well aware of the situation in that particular area. I've provided him with a report on the situation, and he knows full well the reasons for the discharge of sewerage at particular times into the creek that he mentions.

MR. TAYLOR: Mr. Speaker, I had brought some dead fish, but remembering how you didn't like it last year, I didn't try to bring it in here.

Mr. Speaker, if this government can find funds for the large cities of Calgary and Edmonton and some of the other ones in the province to treat their sewage so it doesn't ruin the rivers, why cannot this government find the same funds to keep the towns from dumping into our streams and creeks around our farm areas?

MR. KLEIN: Mr. Speaker, I believe it's a matter of economy of scale. One of the solutions -- it's a long-term solution, it's going to cost lots of dollars, and it's going to involve the co-operation of municipalities and municipal districts -- is to create a regional system of water distribution and sewerage discharges. That has to be the long-term solution. In the meantime, we will have to cope with individual municipal problems as they occur.

MR. TAYLOR: Mr. Speaker, given that over 300 of the 370 systems we have in Alberta are now dumping sewage, could not the minister consider either pipelining this to a central location or using truck transportation to move the effluent to treatment plants rather than dumping it out onto the land?

MR. KLEIN: Mr. Speaker, obviously the hon. member wasn't listening to the answer to his first supplementary. I told him that the ultimate solution is a regional system where, in fact, sewerage from municipalities would be dumped in a central location.

MR. TAYLOR: When?

MR. KLEIN: When? When it can be developed. Yes.

MR. SPEAKER: That's the fourth supplementary. We don't have time. Thank you.

Red Deer-North, followed by Calgary-Mountain View.

Support for Fletcher's

MR. DAY: Thank you, Mr. Speaker. My question is to the Minister of Economic Development and Trade. In the last year the government has pursued a policy of providing loan guarantees to the meat packing industry. The supposed purpose of this policy was to provide a framework for the industry, carrying it into the 21st century. Part of that strategy involved a \$20 million loan guarantee to the farmer-owned Fletcher's operation. Can the minister indicate to us today whether any of those amounts have actually been drawn down, or has this been strictly a cosmetic policy?

MR. ELZINGA: Mr. Speaker, the hon. member is correct, whereby we have involved ourselves in making sure that we do have a world-class food processing sector within the province of Alberta so that we can have those added benefits flow through to our primary producers. Yes, there has been a drawdown on the loan guarantee for Fletcher's, the purpose of which is that hopefully we will have greater markets for the hogs that are produced within this province; in addition to that, the creation of additional jobs in the Red Deer area.

MR. DAY: To the Minister of Agriculture. Can the minister advise, then, whether the Fletcher's facility in Red Deer is now capable of handling any unexpected increase in demand on the operations that may accrue?

MR. ISLEY: Mr. Speaker, it's my understanding that from a capacity viewpoint, with little additional expenditure, Fletcher's could handle 500 hogs per hour up to 16 hours a day, which, if you do a little bit of mathematics, would be the Alberta hog production. From a desirability viewpoint, our producers are very interested in slaughter plants closer to home, and hence the retention of an Edmonton area slaughter facility is very important to northern producers, and the moving ahead of the proposed Picture Butte plant is very important to southern producers.

MR. SPEAKER: Calgary-Mountain View, followed by Calgary-Buffalo.

Taxation Policy

MR. HAWKESWORTH: Thank you, Mr. Speaker. The spectre of the Conservative Provincial Treasurer criticizing Michael Wilson over the new federal Conservative sales tax is like the coyote pointing its finger at the fox for raiding the chicken coop. They're both making the tax system more unfair for average Canadians and average Albertans.

When Alberta Conservatives came to power in 1971, individuals and corporations shouldered roughly equal shares of the tax burden, but that's changed completely today. Once the tax

credits corporations receive are deducted, companies shoulder only about 5 percent of Alberta's tax burden. Ordinary working Albertans are left to pick up the rest. Given that since he became Treasurer average families have been burdened with over a thousand dollars in new taxes each year and given that even just a 1 percent increase in the tax rates for larger corporations would net the province over \$30 million annually, why hasn't the Provincial Treasurer restored some fairness to the tax system by making such a change?

MR. JOHNSTON: Mr. Speaker, the member doesn't understand the simple mathematics of proportions. I've tried to explain it to him time and time again. If you have in a pool two red marbles and one green marble, the ratio is one to two: one-third, two-thirds. Should you subtract the one green marble, you now have a hundred percent red marbles. The law of proportions holds, so you can see that if you change the equation, obviously you're going to find that the proportion paid in terms of personal income tax or corporate income tax changes.

Now, what we've had in Alberta, Mr. Speaker, is that corporations have gone through a very difficult period here with losses, and as a result those tax losses have been carried forward. Under the tax legislation that is quite appropriate. The second thing that's happened is because of the strength of our economy and more people that work in our economy and higher incomes, people are paying higher personal taxes. Now, that's what's happened here in this province, but overall we have maintained the most equitable tax regime of any province in Canada: the lowest personal taxes, 500,000 Albertans exempt from taxation on a personal selective basis, and no sales tax. No sales tax. Now, Mr. Speaker, the combination of that is clear. It is the best province to live in with respect to the tax regime. The numbers are working to our...

MR. SPEAKER: That's good. Thank you. Supplementary.

MR. HAWKESWORTH: Thank you, Mr. Speaker. With a \$10 billion debt, it's obvious the Provincial Treasurer has lost all his marbles.

Given that in the United States a minimum corporate tax is put back on the tax roles -- many profitable corporations who have paid no tax for many years -- and given that a minimum tax of 20 percent on the profits of larger companies in Alberta could generate \$200 million for the cash-strapped Provincial Treasurer, why has the Provincial Treasurer not restored tax fairness in Alberta by bringing in a minimum corporate tax?

MR. JOHNSTON: Well, there again, Mr. Speaker, it's words of this order that would drive the investment from this province if those socialists ever had a moment in government. The kinds of investment vigour that we now see in this province would be driven once and for all from our province. That's the kind of economic fiscal regime that the socialists would bring to this province, and that's why it's so important for us in Alberta to remember that it's the private sector that drives our economy. It's the level of investments that generates jobs.

Now, you never hear the socialists across the way talking about jobs when they talk about taxation. We want to talk about jobs, because it's jobs that are coming to this province as a result of our fiscal plan. It's the confidence that the private sector has here because of our tax regime, and it's happening. Now, the Blues Brothers over there don't like it. They don't want to see the economy performing. They don't want to see the good

news. It's unfortunate. They should go back and scurry under the rocks they came out of.

MR. SPEAKER: There's an interesting problem with the line of questioning in view of the Member for Calgary-Mountain View's notice under Standing Order 40 later in the afternoon, but we'll allow it to continue. Supplementary.

MR. HAWKESWORTH: Thank you, Mr. Speaker. Given that the government's wealthy corporate friends such as Don Cormie have lots of money to give to Conservative election and leadership campaigns, is this the real reason this government refuses to require large, profitable corporations to shoulder their fair share of the tax burden?

MR. JOHNSTON: There again, Mr. Speaker, we see the fallacy of their arguments. You know, it's an amazing point that in 1985 25 percent of the total corporate tax paid in Canada was paid by Alberta corporations; 25 percent of the total corporate tax paid in Canada was paid by Alberta corporations, Mr. Speaker. Just think about that for a second. Is that to show that we are not taxing corporations? In fact, in the 1987 budget we increased the corporate tax rates by something like 35 percent. But, still, you have to allow the private sector an opportunity to invest. You have to have the opportunity to generate new jobs, and you have to give them the freedom of choice: ideas which are not known to the socialists across the way. But let me state again that this province has benefited substantially by the private-sector activity which is head-officed here, and it is matter of fact that 25 percent of the total corporate tax paid in Canada in 1985 was paid by Alberta corporations.

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

Federal Sales Tax (continued)

MR. CHUMIR: Thank you, Mr. Speaker. This is to the Provincial Treasurer, who talks like Rambo on speed but acts like Bambi. Now, after making a speech in which he supported the new federal sales tax if it raised money for the deficit, the credibility of the Provincial Treasurer is approaching four-fifths of five-ninths of zero when he states that he opposes and will fight the sales tax. Now we see that Alberta is going to be hit harder than most provinces, that the tax will be hidden rather than disclosed, and that also the government has a variety of reports on the issues which have been paid for by public money, which he is hiding from Albertans. I would like to ask the Provincial Treasurer why we should have any confidence that the minister can lead the opposition to this sales tax when he has publicly stated that he favours the tax if it raises revenue for the deficit? Is he for the tax or is he against it?

MR. JOHNSTON: Well, Mr. Speaker, I think you could ask all Canadians where Alberta stands on this issue. You could certainly ask all provincial governments where Alberta stands on this issue, and you can ask all Albertans where this government stands on this issue. The answer would be: very clearly in clear opposition to that tax. Now, it's interesting that the member from 'boofalo' over there...

MR. SPEAKER: From where? Order.

MR. JOHNSTON: I'm sorry; for Calgary-'boofalo.' . . . raises the question about which party stands for what. I just happen to have here something from the leaderless Liberal Party: "Decore says VAT not bad." Now, Mr. Speaker, if you ask me, the Liberal Party is in favour of this intrusive tax by the federal government. They're the ones who'd allow the small individual businessmen to be put under this terrible strain of this tax, and they're the ones who'd allow that to happen. Now, they're the ones who have not clarified their position. It's interesting that the Member for Calgary-Buffalo, who speaks from both sides of his face, doesn't know exactly what his party stands for.

MR. CHUMIR: The minister has us all 'boofaloed,' Mr. Speaker. One thing that this government can do is make sure that the tax is not hidden. I'm wondering now whether the Provincial Treasurer is prepared to commit to ensure that provincial legislation requires that the sales tax be disclosed on all transactions in this province. Will he do that?

MR. JOHNSTON: Well, Mr. Speaker, since 1986 the Member for Calgary-Buffalo and I now find an idea we can agree on. I think it is, in fact, important that that tax be revealed, be disclosed. But again in reading Mr. Wilson's paper yesterday, I must say that I'm confused as to what the outcome will be. On one hand he says it will be hidden tax, and on the other hand he says it must be disclosed. I'm not too sure yet just what the outcome will be, but we do strongly advocate that this tax be up front and very visible.

MR. CHUMIR: We can agree that the minister's confused.

I'm wondering how this minister can have the nerve and why the government consistently insults Albertans by hiding information from them. Will he now make public the many reports that he has which have been paid for by the money of the people of this province?

MR. SPEAKER: What does that have to do with that line of questioning?

MR. JOHNSTON: Well, again, Mr. Speaker, I think we have done our best. Certainly from the province of Alberta the government has taken the stand consistently through 1988, talking about the inflationary impact of this tax, about the negative impact on certain sectors within the provincial economy, about the fact that it's a tax grab and that there will be distortions to our western regional provinces' economy. We have taken the time to outline these concerns, and now, I think, the federal government's policy has confirmed our position. Grudgingly I agree, but we did take the time to outline what we saw to be the weaknesses in the tax.

Other provinces have now joined with us in this argument, and I'm sure that when the Premier goes to the Premiers' Conference sometime this month, there'll be an opportunity for them to talk about it as well, and we will see what it is the provinces intend to do. But in terms of providing information, no province has been stronger in its criticism of this tax, no government has outlined more specifically the economic impact of this tax, and no province has taken the time to clearly speak to the various sectors of our province as to what the tax may do. We have taken the lead, we have provided the ideas, we have provided the information, and we have taken the lead in the opposition, Mr. Speaker.

MR. SPEAKER: Clover Bar, followed by Calgary-Forest Lawn.

Westaim Research and Development Centre

MR. GESELL: Thank you, Mr. Speaker. I'd like to ask about jobs, Mr. Speaker. To the Minister of Technology, Research, and Telecommunications, and perhaps the Minister of Economic Development and Trade might want to supplement the answer. Last Friday, Sherritt Gordon, in conjunction with the federal and provincial government, made a major announcement about Westaim. Recent statistics -- the employment report, the labour force survey for July 1989 -- indicate that the northeast area, which includes Clover Bar, has the highest unemployment rate in Alberta. Fort Saskatchewan has decreased in population over the last number of years. To the minister. How many jobs will be created by Westaim and over what period of time?

MR. STEWART: Mr. Speaker, I think it's very fitting that the hon. member raises that matter with respect to jobs and opportunities and confidence in Alberta as a pickup from what the Provincial Treasurer has been saying, because, indeed, the announcement that was made on Friday is a very major announcement for Alberta and for the opportunities that will be created in Alberta in the area of advanced industrial technologies and materials.

As to jobs created, actually under applied research and development it's not a labour-intensive type of industry. However, it's estimated that over the five years, there will be about 200 jobs created in applied research and development. Those are skilled jobs, technicians and scientists, that will create great opportunities for our young people. About 160 of those will be in Westaim directly, and about 40 will be from spinoffs from the commercialization of the technologies. Actually, in extending out further, it's estimated that about 3,000 jobs will be created through construction and indirect spinoffs, utilization of the technology in the universities and further research there, as well as in the Alberta Research Council.

Sheritt itself has estimated that in a longer term, over perhaps 20 years, we could see as many as 20,000 jobs created in this province, so it's a very significant undertaking. It's a co-operative effort between the federal government, the provincial government, and industry on a market-driven basis, and I thank the hon. member for his assistance . . .

MR. SPEAKER: Not now. Thank you. Order please.
Supplementary.

MR. GESELL: Thank you, Mr. Speaker. How much money is our government contributing towards Westaim, and what will be the securities that will be in place?

MR. STEWART: Mr. Speaker, the provincial government will be contributing \$30 million over five years to research and development; in addition, \$10 million towards research infrastructure, a facility for the research and development in Fort Saskatchewan, the hon. member's constituency. That's the contribution. As to the security that's there, it goes into research and development, which will be assessed on a project-by-project basis. It will be evaluated by a technical committee in which we are represented. It will be moneys going to a distinct company, not Sheritt-Gordon but Westaim, in which we will also have a

position on the board of directors. In addition to that, Mr. Speaker, there will be an agreement entered into between all three parties which will secure the whole process from the basic research right through to the commercialization stage.

MR. GESELL: Mr. Speaker, I'd like to direct my final question to the Minister of Health. With this growth impact in Fort Saskatchewan, in the total region, will the minister outline her strategy to meet the expected associated demand for health services. Will you take another look at that?

MRS. BETKOWSKI: Nice move, Mr. Speaker. Of course, any change in terms of population distribution, the demographic realities of our province, particularly with the huge diversification efforts which we are taking as a province, are factored into the health care planning strategy. Those change and have to continue to be factored in, and that will certainly be the case with respect to this wonderful project going into the Fort Saskatchewan area.

MR. SPEAKER: Calgary-Forest Lawn, followed by Calgary-McKnight.

Ownership of Alberta Energy Company Shares

MR. PASHAK: Thank you, Mr. Speaker. Proposed amendments to the Alberta Energy Company Act contained in Bill 15 will make it possible for American and other foreign investors to own large blocks of shares in the company. When I asked the Premier on Friday why this was happening, he answered simply that conditions change. So my question is to the Premier, Mr. Speaker. Can the Premier tell us exactly what conditions have changed that now make it necessary to ensure American and other foreign ownership of Alberta Energy Company shares? What makes it so necessary now?

MR. GETTY: As I also told the hon. member when he raised this issue, Mr. Speaker, legislation that comes before the House progresses in an orderly manner. There are three readings of that legislation and committee study, and I urge the hon. member to participate in it as fully as he wishes. [interjections]

MR. SPEAKER: Calgary-Forest Lawn, not the whole Assembly.

MR. PASHAK: This is an urgent matter, Mr. Speaker. To the Minister of Energy then. Given that the petroleum marketing monitoring agency has called the increase in foreign control of Canadian oil and gas resources the main feature of the petroleum industry last year, is the minister not concerned that this Bill will only worsen the situation and take even more control of our energy resources out of the hands of Albertans and other Canadians and into those of Americans and other foreign . . .

MR. SPEAKER: Thank you. The question's been asked.

MR. ORMAN: Mr. Speaker, let me assure the hon. member that control is going nowhere. Companies must register in Canada or in Alberta. They must go to the Energy Resources Conservation Board for a drilling permit. They must buy a Crown lease from the province of Alberta. They must then get a

removal permit to remove the gas from the province, and if it goes outside the country, they must get an export permit. I think there is pretty strong ownership in the hands of the provincial government as gatekeepers for the province's resources, and I just don't understand the hon. member's question.

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

HON. MEMBERS: Agreed.

MR. SPEAKER: Opposed? Carried. Thank you.
Final supplementary.

MR. PASHAK: Mr. Speaker, final supplementary, then, to the Minister of Energy. Given that so many Alberta-owned energy resources, such as those at Suffield and Primrose, were transferred to Alberta Energy Company at prices well below market values, why would the government wish to hand to non-Canadians such benefits from Alberta's valuable, declining resources?

MR. ORMAN: Mr. Speaker, if the hon. member would care to review the history of the Alberta Energy Company Act or look into the annual report of that company, he would see that in fact to date the holders of the shares in Alberta Energy Company are Albertans and Canadians. So if those Albertans and Canadians wish to realize on their assets and dispose of them through the marketplace, then that is readily available. This is a company that competes worldwide, not just in oil and gas exploration and production but in the area of forest products, in pipelining. It is a major player internationally, and for it to continue to grow and to be viable and to compete on an international scale, it must have access to international markets for equity investment. We are allowing that opportunity.

The hon. member seems to have a concern with the level of foreign ownership, which under the Bill is set at 10 percent. I should let the hon. member know that Canadian chartered banks are about 25 percent, as are cable companies. It is less than half of Pacific Western Airlines or Air Canada. So we are well below the acceptable level in Canada for foreign investment in publicly controlled or publicly oriented companies. So there should be no concern in the hon. member's mind, Mr. Speaker.

head: MOTIONS UNDER STANDING ORDER 40

MR. SPEAKER: There is a request by Calgary-Mountain View under Standing Order 40.

Mr. Hawkesworth:

Be it resolved that this Legislature condemns the federal government's plans to impose on Canadians a regressive and inflationary tax on goods and services and conveys to the government of Canada the message that a reformed taxation system by which wealthy individuals and corporations pay their fair share of tax is the preferable means of reducing government deficits.

MR. HAWKESWORTH: Thank you, Mr. Speaker. I previously gave oral notice of motion. I believe the actual motion or

notice of motion has been circulated to all members of the Legislature this afternoon. At this point I'd like to speak only to the urgency of our debating this resolution this afternoon.

I don't anticipate that there would be any argument over the fact that this new federal tax will be both regressive and inflationary and will harm Albertans. It was only yesterday, however, that we were provided with the first definitive details of this tax, and it turns out to be worse than had been anticipated. It may well be a hidden tax, as an example, and it will be applied to very many, in fact almost all, financial transactions once it's implemented. It's important that this Legislature send a strong message now to the federal government in order that the federal Finance minister will not ever in the future be able to say, "No one objected strongly to this tax," and therefore he proceeded with it.

Now, Mr. Speaker, it's to come into effect in January 1991, and on the surface it may appear that this would leave the Assembly and others lots of time to have input into this tax. But that time frame is deceptive, Mr. Speaker. We have given to us very little time in which to influence events. The long lead time in making these announcements is necessary in order to gear up on the part of the federal government and on the part of businesses across the country to take into account the highly complex nature of this tax. So while it will be implemented some way down the road, the crucial decisions are going to be taken very, very shortly, and only speedy, immediate action by the Legislature will send a message strong enough to get the federal government to abandon this tax, assuming of course that the Legislature wants the federal government to abandon this tax. If the Alberta Legislature is determined to stop this tax, then in my view only immediate, open action will be effective, which means that today, in the final last few days or the last week or so available to us in this sitting, we need to debate this issue and pass the motion in front of us.

Further, Mr. Speaker, if the provincial government intends to lobby the federal government -- and we're not aware of that; the Provincial Treasurer says that he has a secret strategy, whether it's a secret strategy or a hidden agenda I don't know. But if they're to lobby the federal government, then it seems to me that it would be only prudent that the government of Alberta should take with them the benefit of debate and advice which they could get from the members of this Legislature only in the form of debate this afternoon on this motion in open session here in the Legislature.

So, Mr. Speaker, I don't anticipate that it would take a lot of debate, but those are certainly what I hope to be compelling reasons why we need to deal with this matter on an urgent basis.

MR. SPEAKER: Under Standing Order 40 the hon. Member for Calgary-Mountain View is now making the request to the House for unanimous consent to carry out debate. With respect to granting unanimous consent, those in favour, please say aye.

SOME HON. MEMBERS: Aye.

MR. SPEAKER: Opposed, please say no.

SOME HON. MEMBERS: No.

MR. SPEAKER: The request fails.

ORDERS OF THE DAY

head: **COMMITTEE OF SUPPLY**

[Mr. Schumacher in the Chair]

head: **Capital Fund Estimates 1989-90**

Advanced Education

MR. CHAIRMAN: Hon. members, this afternoon the first item to be called is Advanced Education. There's one vote, I believe, and the details are to be found on page 8 and the figures themselves on page 9 of the book.

The hon. Minister of Advanced Education.

MR. GOGO: Thank you, Mr. Chairman. I'm pleased to present to the Assembly the Capital Fund estimates of the Department of Advanced Education for the coming year, 1989-90. Mr. Chairman, I believe, as most members are aware, some years ago we began recognizing the fact that capital facilities with institutions such as universities and colleges, hospitals and other buildings, were by their very nature requiring a lot of capital, and the useful life would last over many years. So the government at that time decided to establish the Capital Fund, which we're dealing with today. The Department of Advanced Education this year is asking for approval of some \$93 million, Mr. Chairman, \$93,736,000 for a variety of projects within the Department of Advanced Education.

I'd like to go through the various projects so that hon. members may have an appreciation as to what is going on with the department in terms of capital construction. They're broken down into a variety of areas, Mr. Chairman. First of all, the universities in Alberta: almost \$42 million being spent this year in terms of grants for capital construction. Of the total \$93 million, the repayment, which comes out of the department's operating budget, is in excess of some \$9 million.

Mr. Chairman, dealing with the universities first, the bulk of the funds under the \$41.911 million for universities is being spent at the University of Alberta, an institution that was established just a couple of years after the birth of Alberta. I'd point out some of those renovations, Mr. Chairman. Corbett Hall: of an almost \$11 million expenditure, there will be \$6 million this year. The Clinical Sciences Building renovations are \$5 million. Utilities upgrading: almost \$10 million. That's an area that many people I don't think have an appreciation for, that utilities are an integral part of any capital project. The Faculty of Extension building, on an almost \$10 million project this year, is having \$3.8 million spent on it.

An area, Mr. Chairman, that's important to many is this whole question of the environment and the PCB question found at our postsecondary institutions. For example, at the University of Alberta alone there's some \$5 million budgeted over the next several years to remove the PCBs. This year we're asking for approval of some \$540,000; this comes under the Capital Fund estimate. So the total at the U of A is almost \$25 million.

The University of Calgary. Members may recall the government a year or two ago had urged the establishment of professional programs because that's really what many people were desiring in the way of postsecondary education. So the business development program expansion required some \$3 million; that's vote 1.1.3. The new professional building that hon. them-

bers approved on June 12: \$3 million has been allocated to that project, Mr. Chairman, so they can get under way in planning this quarter million feet of instructional space. The University of Calgary again, with regard to the PCB removal: \$530,000. The master's program equipment: some \$95,000, which in some instances would have been under the capital formula funding program; however, because of its nature in terms of an asset being acquired by the department, is some \$95,000.

Then, Mr. Chairman, the University of Lethbridge. There's some \$10 million being spent this year, broken down into several areas. The student centre: \$4.587 million of a total \$10 million project. The business program expansion I mentioned a moment ago with regard to the University of Calgary is \$1.9 million. There's some code upgrading required according to the Fire Commissioner of Alberta, some \$330,000. Again, Mr. Chairman, the PCB removal, because they have them in their transformers as most institutions do, some \$400,000. And finally at the University of Lethbridge, student residences: some 52 town houses and single quarters for over 200 students, with some \$3 million being expended this year, in 1989-90, out of a total of over \$18 million.

In the college system, Mr. Chairman, there's some \$45.795 million being requested in the Capital Fund this year. Grande Prairie Regional College, which is going into its phase 2 expansion, an institution that serves a tremendous amount of northern Alberta: \$10 million. At Grant MacEwan here in Edmonton -- as hon. members are aware, a commitment was made by the government for the new Grant MacEwan campus of \$100 million -- there's \$10 million being allocated in this capital budget. Jasper Place campus at the Grant MacEwan: there's some half a million dollars which is going to replace the glass roof that has deteriorated. Fort McMurray Keyano College: a new cultural centre, \$1.3 million. Lakeland College: \$9.9 million; that's a new campus for 500 students which will be completed later this year for a total cost of almost \$23 million. Hon. members may be aware of the uniqueness of Lakeland College, which has so many satellite campuses around northeastern Alberta: the Fort Kent campus renovations, some \$700,000. In Lethbridge, the Lethbridge Community College: the completion of the physical education building and the food services section, \$5.13 million. Mount Royal College at Calgary: again, PCB removal, a total project of some \$410,000, this year is \$300,000. Olds College, which is very exciting to those interested in agriculture: the land sciences centre, some 62,000 square feet, a new building, and this year the commitment by the government in the Capital Fund is \$8.62 million. Again, the PCB removal; I think we're looking at probably in the neighbourhood of \$10 million throughout the institutions in terms of the PCB removal. Anyway, at Olds College it's some \$120,000.

The department, as you know, Mr. Chairman, also has a variety of hospital-based schools of nursing. The total grants this year are \$2.8 million in the following order. The new school of nursing at Ponoka, Ponoka hospital, is \$1.8 million, and this is to replace the old school of nursing building and some provision for hospital staff development. The University of Alberta hospital is again replacement of the school of nursing; there's a million dollars being expended in this year's capital budget.

Then the technical institutes of NAIT and SAIT, Mr. Chairman. Here in Edmonton there's an expenditure of \$2.4 million with regard to the Tower Building renovations and the fire system upgrading. At Calgary, at SAIT, the Southern Alberta Institute of Technology, PCB removal is costing \$100,000 in this

year's capital budget.

Finally, Mr. Chairman, as members know, in addition to the board-governed institutions, the department operates the provincially administered institutions such as the Alberta vocational centres. This year we're requesting an expenditure for AVC Lesser Slave Lake, centred in Grouard at the Slave Lake campus, of \$710,000, which is broken down into housing at Grouard for the students located there, \$460,000 for furniture for the new family unit that was completed; and the Slave Lake campus, \$250,000 for similar equipment, which is part of a total outlay in the Capital Fund of some \$1.35 million.

Mr. Chairman, that's the aggregate of the \$93.736 million being requested in the Capital Fund this year. As I mentioned, the interest coming out of the operating budget of the department to cover the interest costs over the amortization period, which is the useful life of the institution, is some \$9.063 million.

Mr. Chairman, I'm prepared to answer what questions I'll be able to with regard to the Capital Fund estimates of the Department of Advanced Education.

Thank you very much.

MR. CHAIRMAN: The hon. Member for Edmonton-Highlands.

MS BARRETT: Thank you, Mr. Chairman. Just a few questions and comments to the minister, who I think has done a very good job of explaining his Capital Fund estimates. I'll go through them in the order in which I believe he discussed them.

On the discussion of the University of Alberta -- well, in fact, on all of these buildings -- I certainly commend the minister for taking action regarding the transformers containing the PCBs. It's a good trend that the minister is setting. I wish that the rest of his colleagues would understand the importance of that sort of initiative. But I notice that the minister did not talk about a few issues in the Capital Fund that I believe are burning issues.

The first one would be the safety issue respecting the student residence at the University of Alberta, noticeable by its absence. It's estimated that over the next four years \$50 million is going to be required to upgrade the student housing on campus; that is, the single-student housing complex. To date the university has no choice but to go and borrow the money, which is a pretty horrendous situation for them to be in, considering that just a few years ago the University of Calgary benefited from a cash infusion for student housing to facilitate the Olympic Games and the athletes who were able to stay at the U of C in that new housing. I don't think it's inappropriate that we ask for some sort of quid pro quo for the Edmonton-based university, still the largest university in Alberta, when it comes to some very old housing and the state of safety it now faces. That, I would argue, constitutes quite a crisis, and I really cannot see that it's fair that they have to go and borrow money and not only pay it back but pay the interest on that loan as well when it is within the jurisdiction of particularly this division, the capital funding division of the trust fund, to make payments in that regard. So I would like the minister to specifically address this. As far as I can see, he has not yet done so, and I think it would be very important for him to make a commitment, the sooner the better.

The other aspect that I would like to single out with respect to the University of Alberta is the lack of an equipment budget. It is acknowledged that over years of either cutbacks to the university or funding increases that neither matched the increases in

their costs nor the rate of inflation, much of the university equipment is becoming outdated. Now, I realize, and I believe the minister has made this argument before, that there will never be such a thing as keeping up anymore. I think that's a valid point, but does that mean we simply stop trying? I don't think that is an appropriate response, given the importance of higher education to the future of our economy in the international economy; it simply means that those who don't invest are consigned to third-world status. It's an important investment, and I wonder if the minister has any plans, whether this year or at any other point, to incorporate an equipment budget fund under the Capital Fund so that the institutions like the U of A can keep up and basically, at the very minimal, make up for lost time; that is, make up for the ground they've lost by virtue of funding problems they've experienced in the past. Now, I could go into all sorts of details about that, and I'm sure the minister is well aware of the implications of general funding that have brought this matter to such a crisis level.

On the subject of the University of Calgary the minister didn't mention anything about their need for a new computing science and computing engineering building. Now, the tab for that is going to be pretty hefty as well; it would be in the vicinity of the new professional building. I wonder if he's got any plans or is able to make any comments about future plans regarding that project that is, I think, quite seriously needed.

The other thing that he didn't mention is his estimation of the completion date for that new professional building. It's going to incorporate a number of faculties; it's important that they have this building. But with the \$3 million start-off on a \$50 million project, I wonder if this is just the engineering study, how soon construction is estimated to commence, and when that construction would be completed.

I'm not sure if the minister is aware of another problem that the U of C faces, and that is related to the Fine Arts department at the U of C. It is located on top of a parking garage, a multi-level parking garage. The problem is multifold. First of all, they don't have any air-conditioning. There are selective areas of air-conditioning, but because they've got a couple of floors that generally are not air-conditioned, it's very difficult for the students and staff to engage in painting, sculpting, and other things, given the type of fumes that are generated by the materials and given the fact that they lack air-conditioning. The other problem, of course, is that they get all the fumes from the cars in the garage. This is particularly true on hot, muggy days and on cold, damp days, where the air doesn't move very quickly. It tends to hover near the top of the building and drives the faculty and students crazy. It seems to me a reasonable request that this fund look for a way to either move the faculty onto the top of another extant building or propose a separate building for the faculty, such as the University of Alberta has. The U of A building is really quite nice. I think it affords the sort of space that's important to fine arts and would be a wise investment, I would argue.

On the public colleges issue the minister, in reference to the Grant MacEwan Community College, the new downtown campus, did not refer to how much the government has paid for that block of land that they acquired for Grant MacEwan from CN Rail. Now, I had a written question on the Order Paper asking for the details of the negotiations that resulted in that land acquisition, and of course that information was denied by the government; I was not surprised. But I wonder if the minister would at least go on record indicating whether or not any actual

negotiations took place, or did his predecessor simply go to CN and say, "How much do you want?" and then agree to spend the \$18 million, when a comparative block of land, in fact a larger block of land elsewhere in the city, including on the LRT line, would have been available for about \$4 million? So I'd sure like to know if any negotiation place there, or if the minister or his predecessor simply walked in and said: "Our hands are tied. How much do you want? We can guarantee that you will get it?"

I believe, Mr. Chairman, those are the questions that I have with respect to what was not in the minister's comments and what is not evident in the Capital Fund estimates themselves, except to suggest one other matter, and that is that I don't see any reason Given that the minister is able and willing to give us a detailed analysis of what is proposed for expenditure verbally when it comes to the day for consideration of his estimates, could he and his colleagues not make that detailed analysis available to the government printers prior to printing this document so that one doesn't have to wait until the minister's utterances to know exactly where the dollars are being spent? You will see that the vote under Advanced Education simply identifies 1.1, Universities; 1.2, Public Colleges; 1.3, Hospital-based Nursing Education; 1.4, Technical Institutes; and 1.5, Provincially Administered Institutions. Now, there's a lot of money being spent in there, and it took the minister a good 10 minutes to describe how it's being spent. Surely he understands the importance of sharing that information in advance with all members of the Assembly, so for next year perhaps he would give us that breakdown right in the public document itself.

Thank you, Mr. Chairman.

MR. CHAIRMAN: Hon. member, just on a point of information -- and the Chair is neglectful in this regard, and I'm sorry for not doing it -- those items are available in the element book, Supplementary Information, Element Details. It's a thicker book than the [inaudible] ones.

MS BARRETT: Ah. What page?

MR. CHAIRMAN: At page 157. And I apologize for not bringing that to your attention.

MS BARRETT: Element Details? I will check.

Thank you, Mr. Chairman. Those are my comments and my questions.

MR. GOGO: Mr. Chairman, the hon. member made some very good points and asked some very good questions. I'll respond as best I can, and those questions I can't respond to, I'll certainly make a commitment to get back to the hon. member.

It should be remembered, I think, that Alberta Advanced Education has some \$4 billion in capital projects existing in the province of Alberta. It's got to be a tremendous commitment by any government. Sure, the hon. member mentioned some items that are not in the estimates, simply because present policy dictates that those items don't come under the capital projects. For example, Lister Hall houses almost 1,000 students. They've recently applied for funding of some \$2.5 million in terms of fire upgrading in line with the new code and some structural defects. And that concerns me. The reason it concerns me, Mr. Chairman, is that it's long been a policy of the government of Alberta through Advanced Education that student residences,

student food services come under the university and not the government. In other words, if an institution wishes to provide residences, they collect the rents. They keep those rents, they utilize those rents, and with those rents they're expected to pay off the mortgages they have on those residences and maintain them. You know, Lister Hall is some 25 years old; there's an outlay, certainly a replacement cost, of some \$50 million. The U of A has simply not done that over the years, and one has to ask why. I mean, why is it I become minister April 14, and the building's going to fall down? I have great problems with that, and yet that's the way it is.

My concern is the safety of those students. My concern is that if we're going to want 25,000 students in the U of A, then there has to be accommodation. The present policy is -- and that policy is going to be reviewed. I've already undertaken steps in terms of consulting with all the institutions on the whole policy of student residences. Who should pay for them? I mean, it's unacceptable to me that, on the one hand, the University of Calgary received, because of the '88 Olympics, tremendous new free space as a condition of hosting the Olympics. Now, the U of A didn't get it. Edmonton didn't get it, so Edmonton obviously -- but one could make the case of Universiade that Edmonton did have. And if one wants to go back in the record and find out what they provided in terms of student assistance at the university that they kept, that's interesting too. But the principle is still there, Mr. Chairman, that I don't think the system has been fair and equitable. In other words, this year we're authorizing the University of Lethbridge. Because they cannot simply charge enough rent to recover enough to pay for a student residence, the department is putting up capital.

So the member has a very good point. My comment to it is that we are now reviewing that policy. That does not for one minute, in my view, give total forgiveness to the U of A for allowing deterioration in a building, after having received rents, where they should have maintained basic maintenance. I'm very concerned about that. The point is, it's being reviewed.

The hon. member, Mr. Chairman, made reference to the Capital Formula Funding. It started in 1972, many years ago, in recognition that all institutions were not the same and that there should be some provision for furniture, for utility upgrade, and for equipment. It's somewhat asinine to expect our institutions to train people on equipment, prepare them to go out into the world, get out into the world and find more modern equipment out there that they haven't been trained on. So I think there's a case to be made, but let's be fair. This year's budget alone under the operating side of vote 2 has some \$34 million in Capital Formula Funding. I know, I'm well aware, and I don't have to be reminded that if we had followed the original formula that was in place this year, it would have been \$70 million or \$80 million. I'm well aware of that, and I committed myself to see what can be done to increase. The Member for Edmonton-Strathcona has pointed out time and time again that at the U of A, in their science side, they need -- I forget what the injection is -- some \$5 million in terms of that Capital Formula Funding for equipment. I'm aware of that, and I made a commitment to this Assembly that I would do what I could to see that we could find those dollars. I make no promises other than a promise of the heart to do my best.

With regard to the University of Calgary, Mr. Chairman. The new professional building: it's some \$47.5 million; that figure that's in the book is not quite accurate. Three million dollars have been allocated. The member asked about the time

frame. My recollection is that in '92 it should be officially opened. They've already got under way in terms of planning; that's what the \$3 million is for. I'm puzzled by the new Computer Science Building. I just don't know that, and if I can take that as notice . . . The member mentioned the Fine Arts department at Calgary in terms of fumes, et cetera, et cetera. My recollection tells me, Mr. Chairman, that the Alberta College of Art, which is not far -- well, it's on SAIT property -- had this problem. Two years ago we found \$750,000 to solve that problem because it was a major health problem. You can't expect people to be studying in there and be exposed to that kind of thing.

With regard to Grant MacEwan the member knows this government made a commitment of \$100 million to establish the Grant MacEwan campus downtown. Public Works, Supply and Services bought the land, not the department. They marshalled land for these institutions. Whether or not it could have been done in another place, frankly I just don't know. I do know that the commitment was \$100 million. The board of governors made some decisions as to the location and so on; they've made their arguments. I've heard other hon. members making other arguments that it could be or should be other places.

Finally, with regard to the detailed analysis, we're into a system of program budgeting, Mr. Chairman. It has been that way for several years. We feel sufficient information is given. I'm prepared to be as co-operative and as helpful as I can to provide whatever information I can to the hon. member.

With that, Mr. Chairman, I undoubtedly have raised more questions, but I would hope the hon. Member for Edmonton-Highlands finds those answers satisfactory.

MR. CHAIRMAN: The hon. Member for Calgary-McKnight.

MRS. GAGNON: Thank you, Mr. Chairman. I also would like to begin by commending the minister for his department's prioritizing of removal of PCBs. I think it is extremely important that all of our public institutions make that a priority.

I would reiterate some of the comments and concerns expressed by the hon. Member for Edmonton-Highlands. But what I would really like to ask is: how do you decide, from the long list of requests that I'm sure you receive, which are the items that you choose in a given year? The school board that I was with had a three-year cycle, and all of the schools submitted their wish lists, so to speak. Then a team of people would go out and examine the building and the site and see which things had to be done on a priority basis, and on that basis the decisions were made. So I think my underlying question would be: how do you make the decisions? How do you decide that these are the institutions and these are the projects that you will fund this year?

Thank you.

MR. GOGO: Well, Mr. Chairman, undoubtedly, if we got a request from Calgary-McKnight, we'd consider it very seriously. I would think that's to be expected; the same as Edmonton-Strathcona. Well, let me back up a bit. As the new minister, I feel very strongly about the whole question of prioritization and institutions, in developing their wish lists, not simply putting down a whole list of projects. We have now under way some \$328 million in areas in terms of capital construction, and there's a wish list of \$640 million. I've decided, as minister, if I'm going to provide leadership -- I've said in a very

serious way, "You develop your priorities." That's what excites me about the new president of the U of A, Dr. Davenport. Don't send me a wish list, because I'm not going to be overly kind by looking at a long wish list and you let me choose the priorities. I don't think that's the right way to go. I think you have to prioritize on the basis of need.

I don't think the department's view is one necessarily of unemployment on the economic side, although in fairness to the hon. member, I as minister go to Treasury Board, I present my arguments, and Treasury Board makes its decisions based on many factors, one of them being the operating side, the other being the capital side. They may choose, in their wisdom, to say, "You know, we think that need in Fort McMurray is greater because Syncrude is now finished" -- I'm now quoting the story of probably seven or eight years ago -- "and we have 4,500 people unemployed. Perhaps, you know, we should put a little more emphasis in that area instead of this area." That's not my approach. That I believe is the government's approach.

I am attempting now, as the new minister, to get in place some vision of down the road and what the needs are. As the member is well aware, Mr. Chairman, if you look at the anticipated demand on the institution because of students, you get many different indicators. If one is simply to ask an institution like the University of Calgary how many people they turned away last year, they'd tell you a given figure. You look into it and you find the same students applied to four institutions. So, you know, that's something that's got to be looked at. You can't arbitrarily accept a figure and then project what capital facility would be required to answer that. It's got to be a little more accurate.

My priorities, Mr. Chairman, are to see that those in Alberta who have the ability and the desire to pursue postsecondary education have a place to go, and that raises the whole question of accessibility. That's one of the reasons, as you know, we have the transfer programs at many of the colleges and the strong demand by some of those colleges for degree-granting authority. That matter has not been resolved yet. I'm taking a long time to answer the hon. Member for Calgary-McKnight, but we would hope, at least I would hope, that my department would advise me, in conjunction with what my views are as minister, on a realistic capital needs program. I'd simply close by saying that never in the history of Alberta, and perhaps other provinces, have capital facilities -- with the exception of Lister Hall, which to date has never been within our capital projects authority; it's a student residence -- never have they been in such good shape as they are today.

MR. CHAIRMAN: The hon. Member for Edmonton-Kingsway.

MR. McEACHERN: Thank you, Mr. Chairman. I was doing some comparing of numbers with the public accounts and the estimates for the Department of Advanced Education for capital expenditures in our general estimates and thinking also about the endowment fund, which puts quite a lot of money into capital expenditures in the postsecondary educational institutions. I guess the only year in the last few years that we have the full numbers for . . . Well, we would have from before that, too, but I'll start with the 1987-88 fiscal year, for which we have the public accounts. I notice that the amount actually spent on capital expenditures according to the public accounts was some \$93.7 million. The estimates for that year indicated only \$46.8 million, but there was a very large special warrant which added

to the \$17 million planned out of the endowment fund to bring it up to \$46.6 million, and so we get our \$93.7 million for that year. As well as that, the Capital Fund estimates indicate postsecondary educational institution spending of some \$83 million.

Now, I guess I'm wondering how those numbers would show up or what the numbers would turn out to be for 1988-89, where we have an estimate, according to the budget, of \$47.7 million, and a Capital Fund estimate of \$158 million, but we don't know what the endowment fund would be for that year. I wonder if the minister could give us some kind of an idea of what it will be. Then again, I wonder if he could do the same for '89-90. In other words, I'm saying that there are three parts to the capital funding of postsecondary educational institutions: there's the Capital Fund, there's capital expenditures under the budget, and then there's the endowment plan. We've got the numbers for '87-88; I've just read them out. I wonder if he could give us the endowment fund figures for '88-89 and for '89-90 so that we can sort of see how the three parts add up and what the totals would be.

MR. GOGO: Mr. Chairman, I want to be very clear. We're dealing with the Capital Fund, asking authority for some \$93.76 million of a total of \$328 million capital construction under way. The hon. Member for Edmonton-Kingsway has raised the question of the endowment incentive funding, which was, you know, passed on June 12. We're really not dealing with that now. And the Capital Formula Funding of \$34 million in the operating budget approved on June 12 is for equipment, upgrading of utilities and so on does not enter into this. It may enter in an indirect way; I frankly don't know. I don't think we should be mixing the oil and the water here. I don't want to take away from the hon. member's question. I just don't think it's appropriate within the Capital Fund vote, because here we're borrowing \$93 million and we're taking almost \$10 million out of our operating budget to pay the interest on it. We'll do that every year until they're paid off, and I think we'd just cloud the issue if we try and bring into that any endowment funding that I'm unaware of used for capital construction. It may be used for capital in the acquiring of assets, but that's a different issue than putting up the buildings.

MR. McEACHERN: A supplementary on that then. What you're saying is that the capital part of the endowment program, then, is not used for the same kinds of capital expenditures on buildings that is indicated here in this Capital Fund part. Is the same thing true of the capital expenditures under the budget?

MR. GOGO: Under the budget, Mr. Chairman, there are really only three items under capital. One is the interest on the Capital Fund of \$9.036 million, or whatever that figure is. The second one is \$34 million and change for the Capital Formula Funding; i.e., equipment, utility upgrade, renovation, and so on. And thirdly is the \$700,000-odd for the Alberta vocational centres, the Provincially Administered Institutions. There's no mixing of those capital projects. The exception the hon. member may be thinking of is the Jeanne and Peter Lougheed Building at Banff Centre, which came about as a result of the endowment fund and matching by government of the endowment fund. But the capital project didn't pay 10 cents, so they're clearly separated.

MR. CHAIRMAN: The hon. Member for Edmonton-Gold Bar.

MRS. HEWES: Thanks, Mr. Chairman. I'm not sure, having heard the last question from the hon. minister, whether this one's appropriate either, but let me give it a try. My question is related to 1.3.2, Mr. Minister the Alberta Hospital Ponoka, \$1.8 million. I wonder if the minister can answer me if this funding of an improved psychiatric nursing training school in Ponoka indicates the government's intention to concentrate psychiatric nursing training in that particular hospital as opposed to in the Alberta Hospital Edmonton, where it has also been a part of their curriculum. I recognize that both these hospitals have boards of directors of their own at this point in time, but it has been rumoured from time to time that the government's intention was to gradually phase out the psychiatric nursing training in Alberta Hospital Edmonton, perhaps moving some of that training into Grant MacEwan or another community college.

That brings me to 1.2.4: whether or not there's any intention for the gradual phasing out of the psychiatric nursing training at Alberta Hospital Edmonton, if it's going to be phased into Grant MacEwan, if it's going to be retained only in Alberta Hospital Ponoka, and if in fact with any of these changes the total commitments to the number of places for psychiatric nursing students would be maintained in the province.

MR. GOGO: Mr. Chairman, we operate some six schools of nursing within various institutions: Calgary Foothills, the this, Royal Alex, and so on. The Member for Edmonton-Gold Bar raised a good question, and I'm sure going to be careful today. On June 12 I made some comments in this House with regard to my estimates, and as some hon. members know, boy did I get burned, because I made some statements I should never have made. My only defence was that I was new at the job. It related to Alberta Hospital Edmonton, that they were going to phase out of psych nursing training. I don't know where I got it, but boy, I'm sure not going to do that again. I really got burned.

That's not true. I don't know where I got it, but I take responsibility for saying it.

MRS. HEWES: It's been around.

MR. GOGO: It's been around, and what's been around, goes around and comes around and comes to haunt you. I'm not going to say it again.

With regard to Alberta Hospital Ponoka, we're committing \$1.8 million to replace the old school of nursing at that hospital, with provision for hospital development. I think hon. members are aware, Mr. Chairman, that about four or five years ago that was transferred from Hospitals and Medical Care to Advanced Ed because of the nature of the training. At the University of Alberta hospital here in Edmonton we're planning on spending \$1 million for the replacement of the existing school -- that's at the University of Alberta hospital across the way -- to make provision for the proposed Alberta children's hospital. Now, the nurses' training there will carry on.

With regard to Alberta Hospital Edmonton, even though it appears enrollment has been down with regard to psych nursing, there are no funds in here in terms of capital funding -- I assume because none is needed -- and I don't know of any changes contemplated with regard to increase or decrease of nurses at that hospital. If I did, I would certainly tell you. I simply don't know.

MR. CHAIRMAN: The hon. Member for Edmonton-Belmont.

MR. SIGURDSON: Thank you, Mr. Chairman. The Member for Edmonton-Gold Bar addressed the concern that I had, and the hon. minister has responded. Thank you.

MR. CHAIRMAN: The hon. Member for Edmonton-Strathcona.

MR. WRIGHT: Yes. A single question on this. I'm not entirely sure it's in these estimates, but it's to do with the amount of money which we understand has been paid or committed by the government in respect of the site for the Grant MacEwan college on the CN right-of-way. My question there was whether advantage was taken, in the process, of the Railway Relocation and Crossing Act of the federal government, which was intended, to ensure that no more than fair prices are paid for right-of-way which is being used for civic purposes. It's an Act which has, in my respectful view, been underused badly in Alberta, mainly because the word has got out that the federal government hasn't been granting any money under it and therefore they think it isn't of use, when in fact it is of use, because at least the Canadian transport board, or whatever the body is that's sitting on it, can hold the railways to a fair bargain. I just wondered if advantage was taken at all of that legislation in bargaining with the CN.

MR. GOGO: Mr. Chairman, maybe the only one who can answer that question is the hon. Minister of Public Works, Supply and Services. As I mentioned earlier, it acquires land for our department. The Act the hon. member is referring to and has some knowledge about is the Railway Relocation and Crossing Act, an Act of Parliament in Canada which states, in effect, that there's no gain/no loss with relocation of rail systems. In other words, whatever the cost is to move -- and that's acquiring new land too -- is the maximum cost that CN or CP can receive. I don't know if any of that went on. I'm somewhat puzzled, because the Act has not been repealed by Ottawa. I don't know how it was employed, if it was employed, and if not, why not. I simply am not aware of that. The only minister who could comment, and maybe because he's dealing today with estimates, is the hon. Minister of Public Works, Supply and Services.

MR. McINNIS: Just a quick question. The minister mentioned \$10.5 million in the budget for Grant MacEwan college Jasper Place campus. Could you just explain the work that's being done there and whether this will continue into a subsequent year or whether this is the total project?

MR. GOGO: With regard to Grant MacEwan, Mr. Chairman, the Jasper Place campus -- and I recognize the interest of the hon. member. There's a million dollars required to replace the roof, which is a glass roof, as I understand it, that needs replacement. The total cost is a million, of which this year we're budgeting half a million. So I presume that this year the most they can accomplish would be half a million dollars' worth. I don't know, actually, the detailed work involved. Grant MacEwan obviously would have to provide that, because they're self-governing.

MR. CHAIRMAN: The hon. Member for Ponoka-Rimbey.

MR. JONSON: Yes, Mr. Chairman. I would just like to make two comments on these estimates, and specifically on the amount allocated for the Alberta Hospital school of nursing at Ponoka. I'd like to commend the minister and also the Minister of Health for some interdepartmental co-operation in this particular project -- which is unfortunately not always the case, although I know everybody makes an effort to achieve this -- and that is that by advancing slightly the timing for the staff development area in the hospital and combining it with the development of the school of nursing, I think we are going to have a very efficient project and, in the long run, will save the government a considerable amount of money. If the two projects had to go separately and have separate outer walls and all those sorts of things, the end result would have been a considerable increase in expenditure.

The second comment I wanted to make, Mr. Chairman, is a comment on the psych nursing supply or the psych nursing demand. I note that those graduates of the program at Ponoka have absolutely no problem getting employment. In fact, the demand for their services is increasing, and it is being found that in addition to their role in the mental care institutions, they are becoming, in some ways, I think more effective in the long-term care area than are RNs in terms of the applicability of their training. Therefore, I'm certainly glad to see this facility, and I think the psych nursing program is a very important one and should be maintained.

MR. CHAIRMAN: The hon. Member for Vegreville.

MR. FOX: Thank you, Mr. Chairman. I'd like to raise a concern with the Minister of Advanced Education, if I could, about the Lakeland College campus in Vegreville. As the minister is well aware, Lakeland College has expanded somewhat in eastern and northeastern Alberta and provides a much needed and excellent service to people in a number of communities out there. Lloydminster campus is enjoying an expansion. The college has a fairly significant facility in Vermilion, the old Vermilion Agricultural College: a lot of excellent programs there. I believe there's a campus in Wainwright, and perhaps Bonnyville too, I think.

AN HON. MEMBER: Fort Kent.

MR. FOX: Fort Kent. And there is a campus in Vegreville, one as well that's very important to the community not only in terms of the people that it's attracted, the people who work there and provide instruction, but in terms of offering some additional opportunities to people who live in the area.

I'm wondering if the minister might be able to tell me if he knows of any plans to expand the campus in Vegreville. There was a move approximately a year ago, last fall I think, from a facility that was being rented in a shopping centre to the old residence next to the St. Joseph's hospital in Vegreville, which provided the Lakeland College with some additional space. I think space is still a little tight there, but they do have some additional space there and a nice campus sort of atmosphere provided in that building. But people in the community, the people in the Vegreville area, are certainly looking towards Lakeland College as something that has an opportunity to grow in the community. I'm wondering if there are any plans in that regard.

To be more specific, there has been some discussion in the area, and I believe there may have been some discussion be-

tween the municipal politicians in the town of Vegreville and the former Minister of Advanced Education, with respect to a facility that would be providing training to people involved in the service industries, realizing that tourism is an industry with real potential in the province of Alberta, a growth industry and one that we all want to promote a little more. There's a feeling that there's a real need to train people in the service industries that relate to tourism so that people who come to Alberta to visit are dealing with people who have some experience and training, people who have had the opportunity to learn some of the skills that they need to apply. I believe there was some discussion with respect to establishing such a training facility in conjunction with or as part of the Lakeland College facility campus in Vegreville.

While making that representation to the minister, I would certainly appreciate hearing any remarks he might have in that regard.

MR. CHAIRMAN: The hon. Minister of Advanced Education.

MR. GOGO: Thank you, Mr. Chairman. I'm not aware, with regard to Lakeland College, whether there is an application for activity or expansion in the Vegreville area. I'd like to make two comments, though. One is -- and I'm sure members are aware of this -- that we seem to be in an age where satellite campuses flourish. Everybody wants to learn at home; i.e., if you recognize the University of Lethbridge nurses' program -- age 34, families -- it's awkward to go to U of A or U of C for that, so it makes a lot of sense. But it's terribly expensive. Some people think it's economic, but it's just the opposite. To have satellite campuses is very, very expensive. The government is aware of that and recognizes that, and part of the \$22 million expansion at Lloydminster is evidence of the government's commitment to that.

The second point. As hon. members may be aware, the Member for Red Deer-North was chairman of the tourism council, and Red Deer community college launched a training program for the hospitality industry. I'm told by Luterbach, the president down there, it's a very positive program. Whether such a program could be instituted at Vegreville, I don't know. I don't know whether the board at Lakeland has even made that request; I'm not aware. I'll take that, obviously, as information and representation by the hon. Member for Vegreville.

I would point out that we are now into August, and I would be anticipating the proposed budgets from all institutions by the end of the month or the middle of September. It'll be interesting to see what they've included in their wish list, or their need list, as the case may be.

Agreed to:

1.1 -- Universities	\$41,911,000
1.2 -- Public Colleges	\$45,795,000
1.3 -- Hospital-based Nursing Education	\$2,800,000
1.4 -- Technical Institutes	\$2,520,000
1.5 -- Provincially Administered Institutions	\$710,000
Total Vote 1 -- Construction of Postsecondary Education Facilities	\$93,736,000

MR. GOGO: Mr. Chairman, I move the vote be reported.

[Motion carried]

Public Works, Supply and Services

3 -- Construction of Hospitals and Nursing Homes

MR. CHAIRMAN: The hon. Minister of Public Works, Supply and Services.

MR. KOWALSKI: Thank you very much, Mr. Chairman. What we've got in the Capital Fund estimates are actually three votes plus the supplemental estimate. Vote 3 is Construction of Hospitals and Nursing Homes, and I suspect it would be the order of the day to proceed with that one first; also vote 4, Construction of Water Development Projects; vote 5, Construction of Government Facilities; and there also is a supplementary estimate of expenditure and disbursements. So all in all, Mr. Chairman, there would be those that we would have to deal with.

In terms of vote 3, Construction of Hospitals and Nursing Homes, the request there is for an expenditure level of \$105.577 million. Of course, in the elements book you'll see a breakdown of the numerous numbers of projects that would be associated with each one. But perhaps it might be worthy for a minute or two, Mr. Chairman, to provide just a brief definition with respect to each of the phrases that are used on page 13 of the Capital Fund estimates as to what each one of these various types of general subject headings really applies to.

Capital Upgrading, with an expenditure estimate of \$13.162 million, is essentially funding for short-duration construction projects valued at less than \$1 million which are required to address functional or physical deficiencies of hospitals and/or program changes. These subject matters might come up periodically during a year.

Reference 3.2: Medical Referral Centres, with an estimate this year of \$18.1 million, are general hospitals providing a broad range of active care services to support a major urban population: Edmonton, Calgary, Fort McMurray, Grande Prairie, Lethbridge, Medicine Hat, and Red Deer as examples, Mr. Chairman.

Reference 3.3: Specialized Active Care Facilities, with an estimate value of \$38 million. These facilities are responsible for the provision of specialized active care not available in a medical referral centre. Such facilities include the Cross Cancer Institute, the Tom Baker Cancer Centre, the Glenrose Rehabilitation hospital, the Alberta children's hospital, the Northern Alberta Children's hospital, along with the mental health active care facilities at Alberta Hospital Edmonton and Alberta Hospital Ponoka.

Reference 3.4: Community-based Hospital Facilities, with an estimate of \$16.6 million, are general hospitals operating with more than 40 beds in smaller communities, which provide active care services.

Reference 3.5: Rural Community-based Hospital Facilities, with an estimate of \$4.615 million, are general hospitals operating with 40 beds or less in smaller rural communities, which provide active care services at a primary level.

Reference 3.6: Auxiliary Hospitals, with an estimate request of \$11.7 million, are hospitals for the treatment of long-term or chronic illness, disease, or infirmities or mental disorders.

And, of course, Nursing Homes, with a request of \$3.4 million, Mr. Chairman, are facilities which provide nursing care on a 24-hour basis to persons who are chronically ill or disabled. Of course, nursing homes receive financial support from the provincial government in accordance with the terms of a standard contract between the province of Alberta and the nursing

home operator or owner.

Mr. Chairman, the specific elements will provide a large number of projects that are at various stages of attention in the elements book, and there are some certain definitions that of course go with each of these projects, but I have no doubt at all there will be a number of questions that colleagues in the Assembly would like to raise with respect to vote 3, and I'd be very happy to attempt to provide an answer to each and every one.

MR. CHAIRMAN: The hon. Member for Edmonton-Centre.

REV. ROBERTS: Thank you, Mr. Chairman. I have two parts to my comments, the latter part of course having to deal with some of the detailed expenditures going to individual facilities. But the first part I'd like to just address some questions and some comments about is the fact that there were no comments from the minister with respect to why this whole area has been shifted from the department of hospitals and medical care to his shop now, the Department of Public Works, Supply and Services. I think it's not insignificant, Mr. Chairman, that this has gone on. I just would like to have some explanation, some rationale, as to why this is the case. We just went through the Department of Advanced Education estimates, \$93 million. This is \$105 million. So it's not a matter of the scale of dollars being spent, because as we know, Advanced Education in terms of capital construction stayed within that department. Yet we have for some unknown reason the capital expenditure in construction being shifted to Public Works, Supply and Services. It's not that I mind too much. I mean, I'm sure there might be some good reasons advanced insofar as this department, I understand, would have some expertise in terms of building buildings and constructing facilities and keeping them up to code and up to grade and so on. Certainly we want that in our hospitals. But again, it's inconsistent. If we want it in our hospitals, we want it in our colleges and universities as well. So that argument, by virtue of inconsistency, doesn't seem to hold water.

[Mr. Jonson in the Chair]

I'm wondering if, as I have heard, some in the Department of Hospitals and Medical Care were getting over their heads or out of their depth in terms of the very technical expertise that was needed to construct hospitals, although again the department, as I understand it . . . It would be helpful to have the process outlined a bit more. I take it that the local board hires the architect and hires the builder, but I'm sure this minister and his deputies and officials are going to have something to say about how that construction of hospitals proceeds and not just leave it up to architects and builders and so on. But again, what is the department's expertise in terms of hospital construction? I mean, we've just seen a very interesting case about the Oilfields hospital. All reports are that the local townspeople said that the hospital should not be built on that site in Black Diamond; the heaving clay or things that were going on made it not a good site. Yet the MLA for the area, for certain political reasons I'm told, said, "No, it must be on this site" and the board complied with him and they went ahead. I'm sure if this minister had been in charge at the time, he would have said: "No, we've got to pay attention to those local townspeople. We can't let politics enter into this. Let's look at a better site." Then when the builders went ahead and started building and saw that in fact the

foundation was cracking even as they were building it, the minister would have intervened and said: "Now, wait a minute. We'd better get another builder, some other designers or architects, because this isn't so."

Here we're left with being in a state of chaos today where the patients have to be moved out of the hospital. Now I'm told there's some suggestion that it would be less costly to rebuild the whole hospital rather than just try to fix up all the cracks in the existing one. I don't know how this kind of thing could go on. It does reflect badly on the Department of Hospitals and Medical Care and previous ministers who would have allowed this process -- and this is just one example of it -- to carry on and leave us with a legacy of some very difficult situations in terms of hospital construction. But again, I'm just putting this over to the minister to get some rationale with respect to why the construction vote was shifted to his department.

Again, though, I would submit, Mr. Chairman -- and I guess Standing Orders doesn't allow us to enforce this -- that if we're going to be allocating dollars for hospital facilities, we should in fact have the Minister of Health here. Because I think the policies with respect to what hospitals are built and what kinds of programs they're going to have in them and where they're built and, as we've discussed in this Assembly before, the number of beds per thousand or the number of long-term beds per thousand -- the construction policy is only one part of an overall health delivery policy, and I think it does not serve us well to have the minister who builds talking about this without working closely together with the minister who directs health policy. But they sit side by side, so I'm sure they have all these matters ironed out. I would just like to think that it goes on not just in the back rooms and in the cabinet rooms but here in the Legislative Assembly, that we have this kind of comprehensive approach to it.

As well, I'd just throw a couple of asides. I'm sure this minister would not allow things which the former minister and the department of hospitals allowed to go on with respect to waste disposal and the fact that new hospitals were being built without the scrubbers that were needed to make sure there weren't wastes going up into the air that the Department of the Environment had to clamp down on and so on. I've also heard -- and I was going to save this for question period, but I'll let the minister respond to it now -- that there are a number of hospitals throughout the province that do not meet the existing Fire Code for their local jurisdictions. I'd like to know again if this minister not only is checking out the waste disposal systems in these hospitals but is checking into the Building Code and particularly the Fire Code. I mean, wouldn't this minister just love to be in charge of a department when there were hospitals where there was a fire and people and patients were burned or injured in a fire that would have been unnecessary if that hospital had been shown not to be up to snuff in terms of the Fire Code? So all these things are parts in an overall sense.

Oh, yes. I'm sure there'll be no patronage going on, Mr. Chairman, in terms of how the dollars are allocated here. I mean, I know it was Public Works, Supply and Services that struck the deal with Olympia & York and got that whole development going without the lease agreement being signed, and I'm sure there are no construction firms that are of a particular party ideology -- whether it's Stuart Olson or Maclab, I'm sure none of these are going to be given extra favours for doing hospital work just because of certain political contributions they make. I'm really glad we can trust this minister here, Mr. Chairman, to stand up for fairness and not allow patronage to enter into this

very politically sensitive area to take out. So there you go.

Then the other thing. I know this minister doesn't want to toot his own horn too often. He's a very humble minister of the Crown who, I think, takes his duties very seriously and is part of the poor, the humble of the earth. Yet I do notice, Mr. Chairman, it was after the minister had gotten this vote that it was the Minister of Health who actually announced the new facilities were going up on June 13. I'm sure it's because of his humble nature and he wants to stand back and let the Minister of Health get all the brownie points for announcing the Border Counties General hospital, health care centre in Three Hills, Edson general hospital, and so on. It struck me as kind of odd. They at least could have been at the desk together. I don't know. Maybe they should iron out those differences. But there's confusion in my mind and I'd like to get some answers to it.

Now, when we get down to particular facilities within this vote 3, I do want to say to the minister how pleased I am that in the elemental details we have all the hospitals listed individually with respect to what capital allocation they got. Members of the Assembly, remember that this is unlike Health estimates, what we now get in the department for their operating funds; we just have them all lumped together under the general, broad categories. We have no clue within the . . . What was the one vote? I think we allocated about \$85 million to one section and we didn't know what hospital it was going to or for what programs, what purposes. At least in this vote 3 we have it broken down by facility under the general headings the minister outlined. I'm very glad, and I would regret very much if next year we were to see all these figures for particular hospitals disappear as they've disappeared in the Health operating estimates. Good work, Mr. Minister, and keep it up. We're really pleased to have this much more specific breakdown, because it allows us to ask much more specific questions such as these.

The medical referral centres are, of course, as the minister indicated, the big ones in the area. I'm just wondering in terms of the Misericordia. That must be referring to their new outpatient wing which has been announced. It's gone up almost the most sizable. And I am unaware of exactly what the Charles Camsell was doing with that increase. I know they've had some renovations, and I'm sure it has not added any more beds to the Camsell or to the Misericordia, as I understand it. But I would like to know from the minister if in fact there are new beds being allocated by these dollars coming to them. It seems to me that these dollars for the medical referral centres are going particularly to outpatient wings or older wings which need upgrading but in fact are not adding additional active treatment beds to the system, and I'd just like that assurance.

I'm going to address some comments to the Royal Alexandra hospital's allocation later.

With respect to the Glenrose, under Specialized Active Care Facilities -- and I would like to say to members of the Assembly how pleased I am to see that the Glenrose Rehab is proceeding. I'm hearing that it's even underbudget. I'm really pleased to think that we can have under one roof rehabilitative health care and the experts and various occupational therapists and others who will be able to do an excellent job in that very specialized active care. But is it underbudget, as I'm told? And when will it be completed? I think it's another year or so from now.

Then I had a particular question in the mail just recently about the Thorhild nursing home. There we are: \$140,000 for the Thorhild nursing home. It's interesting. I know this minister will not allow politics to enter into the allocation of health

care facilities and how they're built, but the Member for Redwater-Andrew might want to ask some questions about this. I'm told that to locate an extended care facility in Thorhild makes absolutely no sense at all; that whether it's in Redwater-Andrew, there are much better places where there are already existing hospitals, already existing medical staff and health care staff, and to add on to one of those facilities makes much better sense than just putting up a nursing home in Thorhild. Yet I'm told that the former Social Credit MLA lives in Thorhild and it might have been a price they paid to keep him quiet during the last provincial election. Now, I'm sure this would not go on. I would like to hear from the minister the exact reasons why Thorhild, which has no doctor, which has no nurses, which has a very small population, is the one. Even though there is a small population, the former Socred MLA lives there. I'd like to put to rest these nasty rumours and really have the truth in terms of the health care that's going to be achieved by locating a facility there and not in Redwater, where we might think it belongs.

So overall, Mr. Chairman, I am pleased to see what I argued in my motion, which called for a five-year freeze: that we should be really getting hold of the capital construction budget, getting hold of the number of beds we keep bringing on stream in this province, and the 33 percent decrease overall is the direction in which we're going. I'd like to know from the minister whether in fact these are going to add in any way to new beds being added to the system. Now, we can replace beds, we can upgrade beds, but it seems to me these dollars are going to not build one new bed or add one bed to the system. It would be interesting to hear the Minister of Health's perspective on this, because I thought I heard her say in her health estimates that she's in fact calling in the boards of long-term care facilities and saying let's put the brakes on even there, that we're not contemplating building any more auxiliary hospital or nursing home beds. We have some \$15 million, \$20 million in that vote for long-term care, but I'd like to be assured that this minister is not building new long-term care beds in a way that would violate what the Minister of Health has already said in terms of putting the brakes on in that area.

This is for my own clarification. What happens to capital equipment? I know there's a capital fund under the hospitals operating, but I'm sure this minister -- and this must be construction but does not include new medical or hospital equipment. I know there are a lot of issues around how hospital equipment -- whether it's lithotripters or CAT scanners or MRI or whatever the medical wizardry is coming up with, I don't think that's been [inaudible], but I'd like clarification on that.

I just would like to conclude with two other main areas that have caught my attention. One is really hoping this minister can take some leadership, Mr. Chairman, and get the Royal Alexandra hospital emergency and critical care wing on stream. Now, I know it's in my constituency, and I know I have lost an emergency care facility out of the General hospital. I said that that was all right, and I took a lot of heat from my constituents over it. I said it was bad health policy to close down the emergency unit at the General hospital without having the Royal Alexandra hospital's emergency system up and in place, while government in their lack of wisdom did just the opposite. They . . .

MR. DEPUTY CHAIRMAN: Pardon me. Could I just interrupt for a moment? Would the rather intensive subcommittee meetings over here please tone down. Thank you. Proceed.

REV. ROBERTS: As we know, Mr. Chairman, the Royal Alexandra hospital takes into its emergency care wing two or three times the number of critically ill patients that it was built to accommodate. I think the figure is 30,000 admissions a year, not 75,000 or 80,000 emergency admissions in the emergency wing a year. You've been there. You've seen them just lying in the halls waiting for treatment, waiting for care, waiting for diagnosis, waiting for the X rays, waiting for all kinds of things there, and of course we have exacerbated the situation by closing down the General hospital's emergency unit. I think it made good sense in terms of what the General can do in terms of geriatric care and assessment, but still we need to have this at the Royal Alex a lot sooner than later.

I know there's even some concern in the whole northeast and eastern part of Edmonton with respect to response time coming into the Royal Alex. Even if they get a quick response time, they get there and have to be almost wait-listed in order to receive proper care. I know the emergency physicians and nurses do all they can to put a priority list on, and when it's a heavy trauma case, they get attention much faster and so on, but still it's just not fair to the residents downtown or in the north and northeast part of the city, and even close to the Municipal Airport. All kinds of critical cases come down from the northern part of the province into the Municipal and the Royal Alex is right there. Yet they're again strapped in terms of the facility they have to deal with for emergency and critical care. Now, I know that \$70 million or \$80 million has been allocated, that the Royal Alex has had some change of heart in terms of the exact site for the new wing. But I really feel we have to get on with it, and I'd like assurances from the minister that he's right on top of the situation, knows fully the implications of what's happening, and is able to facilitate in his inimitable fashion a quick and speedy way of having this new facility and new wing up and functioning within a couple of years.

The last area I'd like to address some comments to has to do with funding hospitals to upgrade, retool, and continue to develop their laundry services. Now, what do laundry facilities have to do with hospitals? Well, obviously quite a bit when you consider all the linen and bedding and so on that goes in through a hospital and the cleanliness through that whole system. Yet I'm told, Mr. Chairman, that of course it's much more glamorous for politicians to be there at a photo opportunity with a CAT scanner or a new piece of medical equipment or a new wing. You don't often see them down in the basement of the hospital beside a new laundry facility saying, "Look what we've done to improve the laundry facility in this hospital." In fact, I'm told that not only is there scant attention paid to this whole area, but there's an increasing tendency by this government to say to hospital boards: "Well, by the way, as the Minister of Health's already said, it's not a medical necessity; it's not a medical item. Why don't you have the private sector do it? Why don't you contract out laundry services to any one of a number of people who might want to bid on delivering that service?"

Now, we had the whole issue raise its ugly head a year or so ago at the Royal Alexandra hospital. They had a sweatshop down in the basement, which was really what the laundry was, and the board kept petitioning the government through its capital vote to upgrade the laundry facility like you'd want to upgrade the lab or the X ray or the acute care beds or the administrative wings. They wanted to upgrade the laundry facility to do the kind of work it was intended to do. Yet time and time

again the Royal Alexandra was told, "No; no money in it." Besides which, there were a couple of private-sector laundry services, one owned by a very strong supporter of the Conservative Party, K-Bro Services, otherwise known as Stork Diaper, which had excess capacity for some reason. So the Royal Alexandra was told to go and try and get the services of K-Bro, in the meantime putting a lot of people out of work, in the meantime lowering the quality of service in terms of what could be assured in terms of the laundry coming back to the hospital, as well as a whole number of other insecurities with respect to that kind of contracting out practice.

It's not the problem on the south side. Of course, the University hospital and the Mill Woods hospital have concentrated their service at a shop over there, and it's a good regional service, it's publicly funded, and it stays under the hospital's control. Why should it be on the north side of the river that the government would put its foot down and say, "No, we're not going to give you any money to retool your laundry facility; check out with our Conservative buddy who runs this private laundry service"? And how much in addition is it going to cost that hospital?

Now, the reason I raise it today is because it's happening again with respect to the Misericordia hospital, where I'm told -- I forget the exact estimate -- that they're in the process right now of trying to upgrade and retool their laundry facility. Yet the government seems to be putting its foot down, dragging its feet, saying: "Well, laundry is not a medical service; it's not a high priority. Why don't you get K-Bro, Stork Diaper, or somebody else and contract out your laundry services?" All because of a squeezing down of the capital dollars which we are talking about today, Mr. Chairman. I think that's basically unfair. I cannot understand why it is that this area -- I know it's in the basement of the hospital, I know it doesn't get the politicians' eye very much, but it involves a key ingredient in an effective and efficient health care delivery service. It involves employees who are working hard day and night to deliver that service within the hospital sector. For this government and its friends to try to privatize or contract out this service is just one of many other services they are obviously experimenting with. I submit it is not only unfair but is going to cause greater insecurity.

What control, in fact, does a hospital have when they need linens, they need bedding, and it's not coming in at a particular time or of a particular quality from the private shop, who, I'm told, also has a certain monopoly in the area? K-Bro is the only service that could possibly deliver all the laundry for the Royal Alexandra hospital. So it's not as though there's bidding of a lot of competitors in a competitive private-sector industry. There's a monopoly going on here. It's this government again, in some patronizing ways, having its own buddies benefit at the expense of quality health care in the province.

I know there are a number of other items. I'd like to congratulate the minister for taking this over. I know there are some real thorny issues he's going to tackle with aplomb and he will be able to give us answers to these questions, and there might well be others forthcoming.

MR. KOWALSKI: Perhaps, Mr. Chairman, it might be efficient usage of time if the minister would respond to the questions as they come up, in the event that it might eliminate redundant or repetitious questions and there might be an element of osmosis in terms of the questions and the answers coming back and forth, if that would be the permission of the House.

The Member for Edmonton-Centre raised a number of questions and spent nearly half his time talking about laundry. Perhaps I might show the same level of enthusiasm in responding, but I'll take the questions in the manner in which they were addressed, Mr. Chairman. The first question the hon. member raised had to do with a changing area of ministerial portfolios and responsibilities. The member will recall that in September of 1988, when the Premier of the province made a series of decisions with respect to various ministers and various portfolios, there were some shifts. The member may recall that in another capacity I had, as Minister of the Environment, questions were oftentimes raised that as the Minister of the Environment, you were not only the regulator but also the builder. I recall that in the early part of 1988 I had indicated on several occasions that perhaps it might be best for the overall efficiency and responsiveness of government that if in fact that particular minister basically made certain decisions with the scope of various types of projects, in essence perhaps another minister might be charged with the responsibility of carrying through the actual construction of the project so you never have the argument coming back to you that you are not only the regulator but also the builder. Therein lies the answer to the question with respect to the scope.

With respect to hospital construction projects, my colleague the Minister of Health, in consultation with the independent boards throughout the province of Alberta, will sit down and determine the scope of a particular project, the size of the project, what would be entailed. The operational side of that, of course, would be conveyed by the estimates of the Minister of Health. The actual construction project would be one that would be identified by the minister of hospitals in association with the local health board, and then the Minister of Public Works, Supply and Services would receive the documentation, the paper, the scope, and would have it analyzed and evaluated in terms of what the overall cost would be and then provide usage of the good offices one would hold and the experience one would hold with respect to that particular department and carry the project through. In that way, in essence I guess you would never have an opportunity to basically be criticized as a government, to say that this minister agreed to the site selection for a particular hospital, something went wrong, and then covered it up by putting some dollars in, as the innuendo -- not from this member -- has been raised with respect to the Oilfields General hospital, as an example.

The second question the hon. member raised had to do with environmental protection with respect to hospital waste, if one can use the phrase "waste". That is a very important subject matter, Mr. Chairman, to all members of the Assembly, because what may come out of a hospital may be parts of human persons. I would never view that as waste; I would believe that had to be dealt with in the highest degree of dignity possible. There is a problem in the whole world in how you deal with the remnants that might come out of a hospital. Once again, if I can go back to when I was Minister of the Environment, I basically pointed out the need to have important scrubbers and what have you involved in the hospital system in order to make sure we didn't have any level of pollutants that might come out in urban centres or in rural centres with respect to that. There has been a lot of work undergone in the last number of months with respect to this matter. There is a series of officials, which includes individuals from Alberta hospitals and Alberta Public Works, Supply and Services. We've alerted them also to the fact that we do

have a Special Waste Management Corporation in the province of Alberta. Sometime this fall I am expecting a report and will sit down with the recommendations with respect to this. But it is a major concern to me. It is a priority concern to me, as the minister responsible for the construction of these health care facilities, that in fact we do have the necessary environmental protection equipment installed in these hospitals. That is a major concern to me. That is a priority concern to me.

The hon. member indicated that it had been brought to his attention that there may be -- and I appreciate he only used the phraseology "there may be" -- some health care facility in the province of Alberta that is in violation of a health code. As I stand here today, no such information has been provided . . .

REV. ROBERTS: Fire.

MR. KOWALSKI: Fire Code. No such information has been provided to me. I would be very anxious to receive such information. And I would sincerely hope that all members in this Assembly, if such information were provided to them, would in fact contact me as quickly as possible so we could in fact contact the local health board and take the necessary steps to the Department of Labour to ensure that such a violation does not exist. That is not a political game. All of us as responsible citizens in society must make sure we take the necessary steps to protect the people who are clients of the health care system in the province of Alberta. I think it would be very, very retrogressive if some information were brought to a particular member and the member delayed it or waited till there was an opportunity to pound his or her chest in the Assembly and say, "Aha; did you know that?" That would be wrong, and I think we have the open-door access with respect to that.

I appreciate what the hon. gentleman said about patronage, because I don't think patronage exists in a political environment as I know it. Certainly the process that will be followed with the construction of all health care facilities in this province will be an open tendering system. That's the process that has been followed, and that's the process that will be followed. No one will come to me and say that this is the way we should be building hospitals other than that process in this province. That's the process that we as builders will use. Once a decision is made to construct a particular hospital, the hospital board will be instructed in the manner in which to put out a public tender that will be advertised, and all contractors will be able to bid on that process. It will only be in very, very exceptional circumstances where the lowest bidder will not be the one that will be accepted. Should such a situation ever develop, of course there is a legal process in our parliamentary democracy as to how we deal with that. It will not be a question of the MLA for Barrhead saying we want to develop XYZ construction in Barrhead to build all the hospitals in the province of Alberta. There are other things I can do as the MLA to make sure things like that happen, but it will not be in the area of construction, I can assure you.

The hon. gentleman raised certain specific questions with respect to a number of these projects identified under the Medical Referral Centres, Mr. Chairman. The first one the gentleman raised was with respect to the Misericordia hospital. He wanted to know in a general way what was going to be dealt with. Our budget for 1989-90 shows us with a total dollar figure of \$7.85 million. In essence, what is under way there is a continuing of the planning and the overall work that will go with respect to a

new diagnostic and treatment wing plus the renovations and expansion, such specific descriptions as the relocation and expansion of the surgical suite, the labour and delivery suite, intermediate care nursery, respiratory therapy, outpatients, and some renovations to the emergency side of that. There's a breakdown attached to it.

Questions were raised with respect to the Charles Camshell hospital, Mr. Chairman. What we're doing is a continuation of overall planning for an addition to the existing facility, plus there are some renovations, some upgrading, that is going on. There is new space that is being looked at for ambulatory services, admitting and support space, renovations to the diagnostic and treatment areas, essential buildings and engineering systems upgrading, and a new psychiatry unit with inpatient and outpatient programs.

With respect to the Glenrose, Mr. Chairman, we are looking at an expenditure level of \$18.5 million. The work is being done with respect to the replacing of the 208-bed rehabilitation hospital and emergency centre associated with it. This is a large-scale project that's been ongoing for some time.

With respect to Thorhild, the question that was raised is why would anyone in their right mind want to build a nursing home in Thorhild. Well, Mr. Chairman, we have a subjective statement there in the question, and I guess to a degree we get a subjective answer as well. This government believes in providing health care services to the people of this province where they are required. I know that in the views, in the minds of some that one, we should stop construction in rural Alberta for a great number of years and we should just quit them and not do any there. That's not the position, that's not the policy, that's not the philosophy of the government that I'm a member of, Mr. Chairman. If the elderly people and the sickly people of Thorhild are there in sufficient numbers to warrant a nursing home, they will find that this government will listen to their pleas and, if this government is in a position, will respond to their needs.

Now, Mr. Chairman, this province has 300-plus towns and villages and what have you. There are people living everywhere in this province. Thorhild remains geographically in the southern part of the province of Alberta, and if there's a need there, this government will respond when and if it can respond. I suspect that's probably the short and sweet of the answer. If people are in need, this government will listen to their cries and their pleas for responses and help. I've been to Thorhild, and I think Thorhild's an absolutely wonderful little community. I would never snub my nose at Thorhild or look down at Thorhild to say, "Well, those people must go someplace else." That I think, would be wrong, in the same way that all hon. members might come. So we have a subjective question; we have a philosophic answer.

We care about people, we will respond to the needs of people, and I can assure you that if the hon. member chose to go Thorhild and debate this question of the nursing home in the community of Thorhild, I would be very, very happy to attend with him. He and I might get in front of the stage, in front of all the good citizens of Thorhild, and we could debate. We could debate the question, and I would be in support of the nursing home in Thorhild. The hon. member might say, "No, Thorhild, you do not" because it is the policy and the philosophy of the ND Party not to build anything more in rural Alberta.

The hon. member raised a question with respect to capital equipment. Yes, part of the estimates in front of us includes furnishings and equipment for hospitals. That makes sense, if

the hon. member listened to the response given in the first question. The Minister of Public Works, Supply and Services is in fact the minister, and his department is responsible for the acquisition of most of the purchases of government. If you look at cost efficiency, fiscal efficiency, and the like, Mr. Chairman, you can arrive at certain efficiencies by global purchases that might be attained, as in inventories assembled by all the hospital boards in the province putting in a request list and saying, "This is the easiest, simplest way," in the same way that the Minister of Public Works, Supply and Services is also the minister who's responsible for the disposal of surplus hospital equipment.

Periodically hon. members will come and say: "Well, we've got a group in our constituency that wants to work for the hospital board in a foreign land, in a foreign country, and can we get together? Do you have any surplus hospital equipment?" What would happen then is that we would refer the request to the Department of Health to make sure there is no hospital or health care facility in our province that could make use of that equipment, and if it was identified in such a way that there is no hospital or health care facility in the province of Alberta that could make use of that equipment, then we would in terms of our international responsibility make such equipment available. We've done this on numerous occasions, and each and every time that is done, Mr. Chairman, such information is made available to the public and made public.

The hon. gentleman also then raised a question with respect to the Royal Alexandra hospital. He had a series of questions with respect to it and pointed out that certain things were required and certain things were necessary and please make sure that we were concerned about treatment there on an ongoing basis. Of course, the estimate here deals with continued planning for a new diagnostic, critical care, and treatment centre, and the review would include such things as the diagnostic imaging, surgical suites, intensive care units, laboratories, emergency departments, and the like. That is currently under way.

The last question the hon. gentleman raised had to do with laundry and spent some degree of time with respect to laundry provisions. I've had some experience in that, Mr. Chairman, in the major hospital in the constituency that I do represent. The hospital board took it upon themselves to basically privatize the laundry system. They took the initiative. In this case the MLA was opposed to them. He thought that it was probably inefficient and ineffective. A year went by and the MLA for the area proved himself correct, and they've now reverted to the existing system. So on the one hand, there may very well be some reasons. The approach we will take is what is most efficient, what is most effective, what is in the best interests of the patient, not what is in the best interest of anyone else. That in a nutshell, Mr. Chairman, would respond to that question as well.

I will now stop and look forward to additional questions.

MR. DEPUTY CHAIRMAN: Member for Edmonton-Gold Bar.

MRS. HEWES: Thanks, Mr. Chairman. The hon. minister has gone a long way to explain some of the concerns expressed by Edmonton-Centre and also my concerns about how this particular department did come into possession of hospital construction. I have no objection to that change, hoping that it will make the whole operation more efficient and that it will eliminate problems such as those we've recently heard of related to the Oilfields hospital in Black Diamond. I'll have some questions

about that later.

However, Mr. Chairman, the minister has explained the relationship and the interaction between the hospital board, the department, and then the project is turned over for construction to the public works department. We need to know, however, very clearly how all of this construction relates back to health care needs. Now, I've spoken on a number of occasions in this House about problems in health care, where we have some of our facilities in the province underutilized and others are under an enormous amount of pressure, with long waiting lists, and they simply cannot accommodate the needs. What I want to know, then, is: how are these capital improvements going to rationalize the difficulties? We know, of course, that the Watanabe study on utilization is expected momentarily. Are these capital construction requirements directly related to utilization of health care facilities in our province? I'm concerned because I'm not sure that I'm asking that question of the right minister, but perhaps he can answer that.

We need to know, Mr. Chairman: are there going to be more beds in total created and, if so, what kind of beds? Are they active treatment? Are they extended care treatment? Are they specialized treatment? Are they in rural settings? Are they in urban settings? It's hard for me, looking at this budget, these estimates as they're presented in that fashion, to get that kind of information.

Mr. Chairman, I'd like to know if in fact in any place in this budget is buried construction or renovation that is related to creating beds in regional hospitals for involuntary mental health patients. There has been discussion over many years regarding that need, so that involuntary patients could be cared for near their residence and in their own community. At some point there was a promise of 12 hospitals being designated. That's been restricted, I think, to five. I don't know whether any of these capital construction projects are related to changing hospital beds. I don't know, also looking at it, whether any of these capital construction projects are related to changing beds in active treatment hospitals to accommodate extended care in the active treatment setting, being adjusted particularly in the rural hospitals where there is underutilization.

Mr. Chairman, the Oilfields hospital is a regrettable kind of occurrence. Will the minister tell us if, in his mind, with this new system those kinds of actions can be eliminated, if in fact by removing from the department of hospitals, which presumably doesn't have the expertise in construction, we will eliminate such occasions as that one? It's my understanding that that's a prototype hospital and that it was built in a number of different locations throughout the province. Does it fall under the minister's purview to examine those other hospitals to determine if there were faults that also need to be corrected in the others that were built to the same design? Will this ministry now be totally in control of site control as well as the construction of any new facilities?

Mr. Chairman, the minister has also spoken about the problem of incineration of medical and pathological wastes, and I've asked some questions in the House before in that regard, as to whether or not we're contemplating here a provincial system for disposal that would eliminate the necessity to renovate incinerators that are old and perhaps incapable of being upgraded in some existing facilities in favour of a provincial system. If so, would his department also be in charge of the methodology by which wastes would be transported? Would it be a comprehensive system that would be provincewide and would in

fact include laboratories, public health labs, private clinics, veterinary clinics, and other private and commercial facilities of that kind that would create medical and pathological waste and would require disposal of that?

Mr. Chairman, the budget does not speak to community facilities. I have in mind the Boyle McCauley Health Centre in downtown Edmonton. It is undergoing some renovations, and they have a rather large capital program under way. It doesn't appear to be anywhere in the budget, and I wonder if the minister would comment on the Boyle McCauley Health Centre and whether there are any other inner-city health care centres contemplated. If so, they don't appear in the budget.

Mr. Chairman, some specific questions that I have relate to the numbers. In 3.2.7, the Charles Camsell, will the minister inform the House whether or not this will have included the entrance? I believe there have been major problems with the ambulance and emergency entrance to the Camsell, and it would be my hope that that is included in this particular budget.

Mr. Chairman, 3.3.3, the Cross Cancer Institute. Does this complete their renovations? The same question relates to the Alberta Hospital Ponoka. In each case, are they completed in this year? That's 3.3.6, Mr. Minister. These are substantial amounts, and they are carried over from the former year. I wonder if this in fact completes their rehabilitation programs.

The same question related to 3.4.42. This is the Sturgeon General hospital in St Albert, a \$4 million expenditure on top of \$2.3 million last year. Is that the final figure, and how many years further does it go on?

Mr. Chairman, just a couple more: 3.6.22, Chinatown Multi-level Care. I assume that this -- it's now \$265,000 -- is in the planning phase. Perhaps the minister would give us some ideas about where we are in that project and what the timing and what the total cost is anticipated to be over how many years.

The last question, Mr. Chairman, is on the nursing home program. I recognize that last year we were into a rather ambitious program in doing some renovations in private nursing homes throughout the province. Some of these were badly in need, and I'd like the minister to tell the House how far along we've gotten with those private nursing home renovation programs, if in fact they are completed, and if we're up to scratch with them or if they're going to continue next year, and as well, once again, if those capital improvements have provided us with more beds, and what the rural/urban split is in the beds in nursing homes.

Thank you, Mr. Chairman.

MR. KOWALSKI: Mr. Chairman, I hope I can remember all of them. I was jotting down notes and trying to find paper with respect to each one of them.

First of all, Mr. Chairman, the first in the series of questions the Member for Edmonton-Gold Bar raised had to do with the scope or identification of these projects, and just a repeat. A decision as to what project will be undertaken will be made by the Minister of Health in consultation with the hospital board. The hospital board will identify what its local needs are, sit down with the Department of Health and determine what the scope will be. Anytime during that process should they ask for a consultant or an engineer or a technical person from Public Works, Supply and Services to be involved, we would make that available to them. Once the decision, however, is made as to what the scope will be -- as an example, we have to build a 40-bed hospital: that in essence would be the scope identified --

and what the basic needs, concerns, peculiarities particularly would be, those documents and the responsibility again for that project would then be transferred to Public Works, Supply and Services.

Public Works, Supply and Services would then sit down with the local hospital board and say, "Would you like us to design this project internally or would you like to go out to the public sector and hire an architect to do it?" Either way, we'll be available. We won't force ourselves upon it. Should the decision be that the hospital board would say, "No, let's go to the private sector; let's get a consultant," then those officials with Public Works, Supply and Services would be there, hand in hand, to work with the local hospital board right to the moment in time in which the contract is ready to go out for construction bid, and we'll stay with it the whole way through as well.

A secondary question with respect to that. If you had this kind of situation, would this eliminate what had happened at the Oilfields General hospital? Under the legislation that currently exists, it's the Minister of Health who must give approval to a local hospital board for a site selection. What happens is the hospital board will determine the site, will make a recommendation to the Minister of Health, and my understanding is that basically that process has essentially been rubber-stamped to this point in time, that if the local duly elected or appointed hospital board determines, "No; we want to build this particular facility over there on that particular site," the hospital board, we have to assume by this point in time, has undertaken all the engineering studies, has done everything that's appropriate, then sends the recommendation to the Minister of Health. The Minister of Health will say, "Fine; you build your facility on that particular spot."

I don't know if we can ever conclusively say here that an error will not happen, and I don't ever want to be in a position to say that, well, I can give you a lifetime guarantee it will not happen. But I can tell you this. We will have an increasing amount of vigilance and diligence with respect to all of these construction projects to make sure that simply because one or two hospital board members may whine and cry, "Well, no, we want the hospital over there because there's a nice package of trees right beside it," irrespective of the fact that it may have been a sewage lagoon or something else in years gone by -- we will attempt to build a hospital where it is safest, most secure, and in fact the necessary studies have been undertaken to make sure we don't have groundwater deposits and/or the like or shifting clays and/or the like. But the hon. member knows full well that I cannot guarantee perfection. I'm simply a mortal.

The hon. member as well raised a question with respect to the involuntary mental health patients being located in some of these health care facilities. I must regretfully say that I'm simply the builder. Now, I would suspect that I do know in terms of the overall general philosophy of moving people who in the past have been diagnosed with certain mental prognostications, it's now 1989, and because of our better understanding of mental illness and our better appreciation, there has been a move to basically take individuals out of institutions and facilities and move them back into the community. It's something that I certainly have been very, very actively ensuring happens in the area that I do live. For the most part these individuals have been in the community. I appreciate, though, that there may be the need for a number of them to be in nursing homes, and so I suspect that in a very general way the possibility might exist in a particular community for that to happen. But again, I'm hesitant

because I'm not the authority in this area. I hope the hon. member will appreciate that.

The hon. member also made a statement about ensuring that hospitals and health care facilities will be built where the need is and made a sweeping statement, and I know she didn't mean it. She basically said the rural hospitals are underutilized. Of course, that's true; some may be at a given time. But one cannot generalize and make the sweeping statement that all rural health care facilities are underutilized, because we all can give you a litany of examples where that simply is not the case.

The hon. member also raised questions with respect to pathological waste, and I indicated what is being contemplated. Well, to repeat in a very general way, there is a series of people who are looking at this matter, and I will be meeting with them this fall, hopefully, when they come back to me with specific recommendations. They were asked to look at the whole range of possibilities. Should each individual hospital or a selected number of hospitals then be charged with the destruction of such waste? Or should there be one facility provincialwide that might be the facility to do it? Or, in fact, is there a possibility that the Special Waste Management Corporation in Swan Hills might have the expertise to deal with that. So you've got the full range of the options, and I can't concentrate on one right now because I don't have all the specific recommendations that were brought to me. But it is a major concern. In terms of the transportation of pathological wastes, there is national consensus, and there is a national series of rules with respect to this. We have a published paper with respect to this, and I will make a note by simply saying that I will provide to the hon. member a copy of the rules and the guidelines of the transportation of pathological waste that are being used in this country.

In terms of some specifics that were raised, the hon. member raised a question with respect to the Boyle McCauley Health Centre. There is no dollar, not one dollar allocated for that particular facility in these estimates. I understand that is a subject matter that had been brought to the attention of the Minister of Health, and the Minister of Health may be choosing to make some additional definitions with respect to that.

In terms of the Charles Camsell hospital, of that allocation that's been put in here, yes, hon. member, there are some dollars set aside to continue the planning for the renovations and upgrading of the new space for ambulatory services and the admitting and support space. I think that was what was basically asked.

In terms of the Cross centre, until I find the specific to the answer, I might just point out that the Cross Cancer Institute was a major beneficiary, of course, of lottery funds. Some \$2 million was allocated to allow those facilities to buy some \$1 million machines that will be installed this year. I had a delightful meeting with representatives of the Cross Cancer Institute not too long ago. They were very, very appreciative of the utilization of those funds. In terms of the Cross Cancer Institute,

this year in the budget is an allocation for \$4.9 million, and of course we're talking about renovations and a pretty major expansion that will occur. In fact it will be a substantial amount of dollars, upwards perhaps of \$90 million-plus of work that eventually will go into the facility here in the city of Edmonton. The planning is being continued with respect to that.

In terms of the Alberta Hospital Ponoka, the allocation this year for \$620,000, of course, is now phase 3 of the ongoing redevelopment program, plus there are also some dollars that will have to go into ultimate demolition and renovation. But we're still working on the total project cost in terms of the whole thing.

AN HON. MEMBER: That \$5.9 million.

MR. KOWALSKI: Yes.

The subject matter with respect to . . .

MR. DEPUTY CHAIRMAN: Hon. minister, I'm sorry to interrupt, but it is time to call upon the Deputy Government House Leader.

SOME HON. MEMBERS: Question.

MR. STEWART: Question? Okay.

Mr. Chairman, I move that the committee rise and report and beg leave to sit again.

[Motion carried]

[Mr. Speaker in the Chair]

MR. JONSON: Mr. Speaker, the Committee of Supply has had under consideration certain resolutions and reports as follows:

Resolved that there be granted to Her Majesty for the fiscal year ending March 31, 1990, a sum from the Alberta Capital Fund not exceeding the following for the departments and purposes indicated.

Advanced Education: \$93,736,000 for Construction of Postsecondary Education Facilities.

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

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

HON. MEMBERS: Agreed.

MR. SPEAKER: Opposed? Carried.

[At 5:28 p.m. the House adjourned to Thursday at 2:30 p.m.]

