

**LEGISLATIVE ASSEMBLY OF ALBERTA**Title: **Monday, April 11, 1983 2:30 p.m.**

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

**PRAYERS**

[Mr. Speaker in the Chair]

head: **INTRODUCTION OF VISITORS**

MR. SCHMID: Mr. Speaker, I have the honor to introduce to you Senator the Hon. Dr. Howard Phillips from Prince Edward Island. He was elected to the House of Commons in 1957 and re-elected in 1958 and 1962. He was summoned to the Senate in February 1963. Probably our colleague from Clover Bar, who isn't here today, would be interested that he's also a doctor of dental surgery. May I ask our visitor, who is accompanied by Mr. Roy Wittup, to rise to receive the welcome of this Assembly.

head: **INTRODUCTION OF BILLS**

**Bill 44**  
**Labour Statutes**  
**Amendment Act, 1983**

MR. YOUNG: Mr. Speaker, I beg leave to introduce Bill No. 44, the Labour Statutes Amendment Act.

Among other amendments, Mr. Speaker, I would like to identify for hon. members the following. One, a requirement that all compulsory arbitration boards, in arriving at their awards, shall consider these factors: wages and benefits in both public and private employment and in both unionized and non-unionized employment, the continuity and stability of employment in the public and private sectors, and the fiscal policies of the government. As well, Mr. Speaker, arbitration boards may continue to consider those factors in existing legislation.

Two, in order to assure continuity of services, a provision that the operators of hospitals and auxiliary hospitals and all the employees of those employers will be bound by compulsory arbitration in the event of an impasse in collective bargaining. Certain measures are provided to encourage the parties to conclude their bargaining without resorting to arbitration.

Three, with the exception of senior management and employees in the licensing and permit departments, the collective bargaining between the Liquor Control Board and its employees is transferred from the Public Service Employee Relations Act to the Labour Relations Act. These employees are presently represented by the Alberta Union of Provincial Employees, and this Bill provides for a continuation of that representation.

Four, in the event of a strike by employees subject to compulsory arbitration, the employer may discontinue the deduction and remission of union dues for up to six months, subject to an appropriate external review of the facts.

Five, the Bill provides for the exemption from the application of the Public Service Employee Relations Act

of an additional limited number of employees who act in a confidential, management, or other unique or supportive capacity, such as officers and members of the staff of this Legislative Assembly.

Six, Bill 44 also provides that should trade unions with certain shared interests choose of their own volition to bargain together, they may join in a trade union organization for that round of bargaining. This provision is similar in many respects to the existing concept of an employers' organization.

These amendments involve changes to the Labour Relations Act, with inclusion of a new division dealing with compulsory binding arbitration. The Firefighters and Policemen Labour Relations Act, the Public Service Employee Relations Act, the Public Service Act, and the Liquor Control Act will also be amended by this Bill. It is evident, Mr. Speaker, that the amendments I have outlined apply primarily to public-sector collective bargaining.

Finally, Mr. Speaker, Bill 44 is not intended to apply retroactively and so will not affect existing collective agreements or arbitration awards. Bill 44 will come into effect on proclamation.

[Leave granted; Bill 44 read a first time]

MR. CRAWFORD: Mr. Speaker, I wonder if I could have the concurrence of the Assembly to revert to Notices of Motion.

MR. SPEAKER: Has the hon. Government House Leader the required consent?

HON. MEMBERS: Agreed.

MR. SPEAKER: It is so ordered.

head: **NOTICES OF MOTIONS**

MR. CRAWFORD: Mr. Speaker, I'd like to give notice that tomorrow evening at eight o'clock, under government business, we propose to deal with a motion having to do with the Labour Statutes Amendment Act. The motion would be in this form:

Be it resolved that Bill No. 44, Labour Statutes Amendment Act, 1983, stand referred to the Standing Committee of the Assembly on Public Affairs for the purpose of providing an opportunity to representative, province-wide organizations and groups, in existence as at April 11, 1983, to make written submissions to the standing committee respecting the said Bill.

Be it further resolved that hearings by the standing committee be conducted on April 25, 26, 27, and 28, 1983, from 2:30 p.m. to 6 p.m.

Be it further resolved that when the Assembly adjourns on Friday, April 22, 1983, it shall stand adjourned until 8 p.m. on Thursday, April 28, 1983, unless reconvened at such earlier time as Mr. Speaker may determine upon the request of the standing committee.

Be it further resolved that Al Hiebert, the hon. Member for Edmonton Gold Bar, be vice-chairman of the standing committee for the purposes of the said hearings.

Be it further resolved that public notices in a form approved by the chairman and vice-chairman of the

standing committee, be published at the earliest practical date in such publications as the chairman and vice-chairman direct:

- (1) inviting written submissions;
- (2) specifying 5 p.m. on Wednesday, April 20, 1983, as the latest time at which notice of intention to present a written submission may be delivered to the office of the chairman;
- (3) specifying 5 p.m. on Friday, April 22, 1983, as the latest time at which such written submissions may be delivered to the office of the chairman.

Be it further resolved that the chairman and vice-chairman of the standing committee shall:

- (1) determine which submissions will be heard by the committee during public hearings and, in determining whether or not a submission is from a representative, province-wide organization or group in existence as at April 11, 1983, the chairman and vice-chairman shall ascertain whether or not there is substantial overlapping or interlocking membership between two or more submitting organizations or groups and choose the organization or group which, in their view, is most representative of a province-wide interest;
- (2) determine the order in which submissions will be presented to the committee during public hearings;
- (3) inform each organization intending to present a written submission as soon as is practical whether that organization's submission will be heard by the committee during public hearings and, if so, when it is likely to be heard;
- (4) take into account in deciding which submissions will be heard and the order of presentation of submissions during public hearings, the need for a broad cross section of the views expressed in the submissions to be presented to the committee, as well as the directness of the provincial interest in the matters in issue on the part of each organization or group proposing to make such submission;
- (5) determine the procedure for tabling written submissions received by the committee which:
  - (a) the chairman and vice-chairman have found not to have qualified for presentation to the standing committee,
  - (b) the chairman and vice-chairman have found qualified for presentation to the standing committee, but which are unable to be heard by 6 p.m. on Thursday, April 28, or
  - (c) are received by committee members from organizations or groups requesting that such written submissions form part of the record of the standing committee's proceedings;
- (6) be available at specified times before 5 p.m. on Wednesday, April 20, 1983, to inform any interested organization or group in advance whether or not the organization or group would qualify to be heard prior to preparation of a submission.

Be it further resolved that the time allotted for the presentation to the standing committee of any submission during the hearings shall be 40 minutes, including time allotted for committee members to

ask questions, and that no member who asks a question shall be allowed more than two supplementary questions.

head: **INTRODUCTION OF BILLS**  
(continued)

**Bill Pr. 2**  
**Society of Management**  
**Accountants of Alberta**  
**Amendment Act, 1983**

MR. NELSON: Mr. Speaker, I request leave to introduce Bill Pr. 2, the Society of Management Accountants of Alberta Amendment, 1983.

This is a Bill for permission to change the designation from an RIA to a CMA.

[Leave granted; Bill Pr. 2 read a first time]

**Bill Pr. 7**  
**Peace River Bible Institute**  
**Amendment Act, 1983**

DR. ELLIOTT: Mr. Speaker, I request leave to introduce Bill Pr. 7, Peace River Bible Institute Amendment Act, 1983.

[Leave granted; Bill Pr. 7 read a first time]

**Bill Pr. 8**  
**The Sisters of Charity**  
**of Providence of McLennan**  
**Amendment Act, 1983**

MR. ALEXANDER: Mr. Speaker, I request leave to introduce Bill Pr. 8, The Sisters of Charity of Providence of McLennan Amendment Act, 1983.

It is simply to change the name and acknowledge that the city of Edmonton [is substituted for] the village of McLennan.

[Leave granted; Bill Pr. 8 read a first time]

**Bill Pr. 3**  
**Calgary Convention Centre Authority**  
**Amendment Act, 1983**

MR. MUSGREAVE: Mr. Speaker, I request leave to introduce Bill Pr. 3, the Calgary Convention Centre Authority Amendment Act, 1983.

It will provide for the increase of the membership of the authority.

[Leave granted; Bill Pr. 3 read a first time]

**Bill Pr. 9**  
**Paramount Life Insurance Company**  
**Amendment Act, 1983**

MR. MUSGREAVE: Mr. Speaker, I request leave to introduce Bill Pr. 9, the Paramount Life Insurance Company Amendment Act, 1983.

It will provide for the change of the capitalization of the company.

[Leave granted; Bill Pr. 9 read a first time]

**Bill Pr. 14**  
**Edmonton Convention Centre Authority**  
**Amendment Act, 1983**

MR. HIEBERT: Mr. Speaker, I request leave to introduce Bill Pr. 14, the Edmonton Convention Centre Authority Amendment Act, 1983.

The purpose of the amendment is to increase the authority from five to seven electors appointed by council and to allow for staggering of termination of appointments.

[Leave granted; Bill Pr. 14 read a first time]

**Bill Pr. 15**  
**Edmonton Convention**  
**and Tourism Authority**  
**Amendment Act, 1983**

MR. HIEBERT: Mr. Speaker, I request leave to introduce Bill Pr. 15, the Edmonton Convention and Tourism Authority Amendment Act, 1983.

The purpose of the Bill is to allow the solicitation of general memberships and to allow the general memberships to receive information, reports, and notices as to what the authority is pursuing.

[Leave granted; Bill Pr. 15 read a first time]

**Bill Pr. 4**  
**Menonite Mutual Relief**  
**Insurance Company**  
**Amendment Act, 1983**

MR. OMAN: Mr. Speaker, I ask your permission to introduce Bill Pr. 4, the Menonite Mutual Relief Insurance Company Amendment Act, 1983.

Very simply, this Bill extends the opportunity of the company to serve its constituents.

[Leave granted; Bill Pr. 4 read a first time]

**Bill Pr. 1**  
**Alberta Wheat Pool**  
**Amendment Act, 1983**

MR. FISCHER: Mr. Speaker, I'd like to introduce Bill Pr. 1, the Alberta Wheat Pool Amendment Act, 1983.

[Leave granted; Bill Pr. 1 read a first time]

**head: TABLING RETURNS AND REPORTS**

MR. M. MOORE: Mr. Speaker, I would like to table the annual report of the Department of Transportation for the fiscal year 1981-82.

MR. FJORDBOTTON: Mr. Speaker, I beg leave to table the 1982 annual report of the Farmers' Advocate.

MR. CRAWFORD: Mr. Speaker, I'd like to file copies of the Crimes Compensation Board annual report for the year ended March 31, 1982. Copies are available for all members.

MR. HYNDMAN: Mr. Speaker, I'd like to file with the Assembly three copies of a statement released today by the provincial treasurers and provincial ministers of

finance of Canada, entitled Federal Proposal to Reduce Health and Post-Secondary Education Financing.

MR. SHABEN: Mr. Speaker, I request leave to table the report of the Alberta Housing Corporation for the fiscal year 1981-82. I'd also like to file with the Legislature Library a study entitled Alberta House Cost Comparison Study.

MR. CHAMBERS: Mr. Speaker, I wish to table the annual report of the Alberta Department of Housing and Public Works for the fiscal year 1981-82 and the annual report of the Alberta Department of Government Services for the fiscal year 1981-82.

**head: INTRODUCTION OF SPECIAL GUESTS**

MR. ADAIR: Mr. Speaker, on behalf of the Minister of Recreation and Parks and myself, it's my pleasure to introduce to you, and through you to Members of the Legislative Assembly, some gentlemen from the prefecture of Hokkaido, Japan. Hokkaido and Alberta are twinned.

I would like to introduce to you Mr. Tsutomu Kawabuchi, the officials chief and director of the Hokkaido Ice Hockey Federation; Mr. Isao Kataoka, from the Japan Ice Hockey Federation; Dr. Shigeo Kanai, the team doctor; Mr. Masaharu Chukai, a member of the Hokkaido Television Corporation press; and on the floor of the Assembly, Mr. Hiroyuki Kumetani, also of the Hokkaido Television Corporation. They are accompanied today by Mr. Doug McKenzie, the Canadian Amateur Hockey Association representative and past president of the Alberta hockey association. They are in Alberta as part of a visit to this province and will be playing hockey games in Goodfish Lake, Bonnyville, Fort McMurray, Leduc, Taber, and High River.

Hokkaido and Alberta have been twinned for some time, Mr. Speaker, and have been involved in sport exchanges, cultural exchanges, and agricultural exchanges. I ask that they stand and be recognized by this Assembly.

MRS. FYFE: On your behalf, Mr. Speaker, I have the pleasure this afternoon of introducing to the House two grade 6 classes from Thorncliffe school in the constituency of Edmonton Meadowlark. These students are accompanied by parent Mrs. Chris Taverner, and teachers Mr. Southworth, Miss Nora McGuire, and Mrs. Marie Caley. They're in the members gallery, and I ask that the students and the adults with them stand to be recognized by the Assembly.

MR. ALGER: Mr. Speaker, this afternoon I'm delighted to introduce to you, and through you to all the members of the Legislature, an outstanding citizen of the province of Alberta, and particularly the constituency of Highwood, in the person of Her Worship Mayor Lucille Dougherty. Her dedication to the citizenry of High River has been second to none for the past 12 years. I'd ask her to rise in the Speaker's gallery and receive the gratitude of the Legislature for her exceptional endeavors.

MRS. LeMESSURIER: Mr. Speaker, I am pleased to introduce to you, and through you to members of this Assembly, 11 students from the English as a second language department of the Alberta Vocational Centre in

the constituency of Edmonton Centre. Accompanied by their leader Mr. Yurri Dohomiracki, they are seated in the members gallery. I ask that they please rise and receive the warm welcome of this Assembly.

MR. CLARK: Mr. Speaker, today it's a pleasure for me to introduce a gentleman from Drumheller who has been building roads in Alberta and Saskatchewan since 1949. He claims he's built 1,500 miles of road; unfortunately, he never built many of them in my constituency of Drumheller. I would like Danny McLean of McLean Construction to stand up, please, and be welcomed to our Assembly.

MR. R. SPEAKER: Mr. Speaker, I would like to introduce to the Assembly four members of the Alberta Soft White Wheat Growers Association — and I understand that earlier today they had a good meeting with the Minister of Agriculture — the president, Art Eckert; the vice-president, Harold Unruh, from my constituency; Fred Barg, director; and Andy Kovacs. I'm not sure whether or not I should initiate a campaign for their re-election, but I haven't been appointed campaign manager, like my colleague.

MR. ZAOZIRNY: Mr. Speaker, it's my pleasure to introduce to you, and through you to Members of the Legislative Assembly, 42 grade 8 students from Ian Bazalgette school in the constituency of Calgary Forest Lawn. They are accompanied by Barbara Will, Diane Blacklock, and Ray McLennan.

Mr. Speaker, this is the second group from Ian Bazalgette school that has visited the Assembly this spring. There will be a third group attending on Wednesday. I'm not entirely sure whether their enthusiasm for the Legislature relates to their interest in the legislative process, their curiosity as to how their local MLA is faring, or their desire to avoid class. In any event, Mr. Speaker, we're delighted to have them here with us this afternoon, and I ask them to rise in the public gallery and receive the welcome of the Assembly.

MR. TRYNCHY: Mr. Speaker, today it's my pleasure to introduce some 26 grade 6 students from St. Mary elementary school in Whitecourt. They're accompanied by teacher Mrs. Finley, parents Mrs. Briand and Mrs. Bates, and bus driver Norman Vanderhoughen. They're situated in the public gallery, and I ask that they rise and receive the warm welcome of this Assembly.

MR. ISLEY: Mr. Speaker, it's my pleasure to introduce to you and to the Assembly the Chief of the Cold Lake Indian Reserve. The Cold Lake Indian Reserve is located in that beautiful part of Alberta that didn't get any snow this weekend and that these gentlemen in the gallery and the Japanese hockey team are going to have an opportunity to visit. The Chief's name is Marcel Piche. He is in the members gallery, and I ask that he stand and be received by the House.

#### head: MINISTERIAL STATEMENTS

##### Department of Energy and Natural Resources

MR. ZAOZIRNY: Mr. Speaker, on April 13, 1982, the Alberta government released a statement, titled A Pro-

posed New Strategy for Marketing Alberta Natural Gas, as an appendix to the hon. Premier's announcement of the Alberta oil and gas activity program. The strategy statement noted the immense benefits to Canada which would accrue from sustaining and increasing our natural gas exports to the United States and the impact new or expanded markets would have on exploration activity in our province.

The strategy statement noted two steps which would have to be taken in order to achieve this objective: first, a more realistic assessment by the National Energy Board and the federal government of the surplus gas available to potential United States customers; and secondly, a thorough examination, in consultation with the natural gas industry, of the price and contract conditions for the sale of Canadian gas into the United States. It was obvious then, in the face of a growing gas surplus in the United States, that a new set of rules would be required if we are to expand our market opportunities for natural gas sales south of the border.

An intensive consultation process with industry representatives took place over the summer months, resulting in the release of a joint Alberta/industry discussion paper on September 24, 1982, titled Canadian Natural Gas Marketing Initiatives. The initiatives paper identified the strategies which might serve to increase the production and sale of Canadian gas in the United States market, with maximum benefits to the producing provinces and the Canadian natural gas industry. The initiatives paper also set out the principles and mechanics under which the pricing provisions in new gas export contracts should be negotiated, noting the need for the federal government to be flexible in implementing its export pricing policies.

The federal government responded positively to the approach set out in the initiatives paper and in late 1982 agreed to form an intergovernmental task force of senior energy officials from Alberta, British Columbia, and the federal Department of Energy, Mines and Resources, to explore the need for and possible components of a revised natural gas export pricing policy. The federal government has set a uniform United States border price for gas exported from Alberta and British Columbia, based on the Duncan-Lalonde formula.

The formula takes into account the substitution value of gas measured against the cost of foreign crude oil imported into eastern Canada, with appropriate adjustments for transportation charges to different United States border points. The United States border price has been set at \$4.94 U.S. per million BTUs since April 1, 1981, although foreign crude prices have since softened and, more recently, declined in line with the OPEC agreement on oil prices.

The demand for natural gas in the United States market also has undergone marked changes since 1981, due to a combination of circumstances involving domestic United States pricing policies, alternative fuels prices, energy conservation, and the impact of the economic downturn in the United States. The net effect is a growing surplus of gas in the United States markets and a corresponding effort by United States purchasers and utilities to reduce their take of higher priced gas, both domestic and imported, in response to growing consumer resistance and pressure from United States federal and state regulatory agencies. The result is that sales of Canadian gas in the United States have fallen from 75 per cent of authorized or licensed quantities in 1980 to less than 50 per cent currently. Immediate action is required by governments to prevent erosion of existing export gas mar-

kets and to lay the groundwork for new sales when the United States gas demand increases.

Recognizing the immediacy of the situation, the inter-governmental task force accelerated its consultations with producer and transmission company officials to develop proposals on potential alternatives to current export pricing policy and the timing for implementing the necessary changes. At the same time, the Premier and members of the cabinet energy committee held meetings with senior industry representatives, to work towards a consensus on what should be done to protect existing markets in the shorter term. It was agreed that a long-term solution to natural gas marketing issues must await clarification of the present complex regulatory system and pricing situation in the United States.

Taking all these factors into account, the government has made the following recommendations for the pricing of natural gas exports sold into United States markets. First, the term of the revised pricing policy shall be from April 1, 1983, to October 31, 1984. Second, the United States border price for base volumes of gas shall be established at \$4.40 U.S. per million BTUs. Third, the United States border price for incentive volumes of gas shall be established at \$3.30 U.S. per million BTUs. Fourth, Mr. Speaker, the base price will apply to the base quantity, which is defined as either 50 per cent of the annual licensed quantity related to each export contract, or the actual quantity exported during the 1981-82 contract year provided the natural gas had been flowing under the contract for 12 months of the contract year, whichever is the lesser. Fifth, the incentive price will apply to quantities taken in excess of those quantities to which the base price applies. At the same time this revised pricing scheme is in effect, Alberta will endeavor to work with the British Columbia and federal governments to develop a natural gas pricing and marketing strategy which will be appropriate to the longer term.

Mr. Speaker, these recommendations were formally transmitted to the British Columbia and federal energy ministers on April 7, 1983. We have urged the federal minister to give serious consideration to our views and to make an early announcement on the proposed changes, and it is my understanding that the federal minister is making an announcement on natural gas export pricing policy in Calgary today. We believe our proposal, if implemented, will be well received in the United States and should improve the marketing of Canadian natural gas in the United States.

Mr. Speaker, I wish to table the government of Alberta's recommendations and position for the pricing of exports to the United States of Alberta natural gas.

MR. NOTLEY: Mr. Speaker, in rising to respond to the ministerial statement today, I first of all indicate that because it is a very complex statement, my colleague and I will look at it in some detail. But in very quick perusal of the statement, Mr. Speaker, I would make several observations. It is worth noting how things have changed in this Assembly. I recall discussions in the mid- and late-1970s about the tough measures we were going to take vis-a-vis natural gas export to the United States, that not a cubic foot of natural gas would be exported unless we got very strong concessions in agricultural commodities and petrochemicals. Today we have a new incentive price of more than a dollar less than the base price, which is 50 cents under the existing price. My, how things have changed.

Mr. Speaker, I think we have to look at several other

items as well. How is this gas market going to be divided? I realize the government is under a good deal of pressure from the industry to increase export of natural gas to the United States, because many companies are suffering serious cash-flow problems. It seems to me that rather than drastically dropping the price to the United States of a precious non-renewable resource, one of the things the government has to look at is the need to pro-ration gas markets in this province.

We have the opportunity. I know there is some debate in the industry, but it seems to me we certainly have the opportunity to move in the area of market sharing. We did that with oil during the 1950s. It was a perfectly workable arrangement with oil. I see no reason it isn't possible to share the markets so that the smaller producers have access to a share of the market and consequently can have money coming in to deal with those critical cash-flow problems, which my colleague and I recognize are a problem, particularly for some of the smaller natural gas producers.

In my judgment, Mr. Speaker, the other thing that has to be observed is that we've had incentives in place which have brought in a lot of additional natural gas. In the long term, that's good for the country. But it seems to me that as we look at the whole range of incentives in the future, perhaps we have to shift away from more natural gas exploration, now that we have to sell it substantially under prices we've been used to over the last few years. We have to look at other alternatives. I think the emphasis we've continually advocated on heavy oil development, not as a total alternative but at least as an important supplement to stimulating our oil and gas industry, is an objective that I would commend to the government at this particular time.

Having made those observations, Mr. Speaker, I just conclude by observing one final point. There is no doubt that the announcement made today, while it may in fact temporarily stabilize what is a soft market — and I'm well aware of the representation that has been made to the minister about the erosion of our natural gas markets in the United States, but I also remind the minister and the government that the decision we are making today is going to have very significant financial implications to the province. We are dropping the price, and if there isn't going to be an increased market and if all we're doing is preserving existing markets, then a substantially smaller amount of money is going to be rolling in to the provincial Treasury. That has significant implications to all of us, given the very sizable deficit the province of Alberta has to confront at the present time.

Having made those comments, Mr. Speaker, I simply conclude by saying that my colleague and I will look at the details and will no doubt have opportunities to comment further on this announcement during the course of the Legislature.

#### head: ORAL QUESTION PERIOD

##### Employment Levels

MR. NOTLEY: Mr. Speaker, I'd like to direct the first question to the hon. Premier. It's with respect to the 146,000 unemployment rate, the highest unemployment rate in the history of the province. What assessment is the government giving to the economic resurgence plan, in view of the failure of that plan to remedy unemployment in this province?

MR. LOUGHEED: Mr. Speaker, I will refer the basic question to the Minister of Manpower, whose responsibility it is to deal with that matter. But just to make an observation, one of the key elements involved in terms of employment in this province is to assure that we do not move away from the natural gas exploration industry in Alberta.

MR. ISLEY: First of all, Mr. Speaker, may I thank the hon. member for raising the question, and point out to him that there are some positives in the employment stats today as well as negatives. Over the last month, employment opportunities in this province went up 4,000. However, in that same time period, the work force increased 15,000. Hence, unemployment in total went up. I would remind him, however, that our employment to population ratio remains the highest in Canada, at 62 per cent, and that our participation rate increased about 0.8 per cent to substantively lead the nation at 70.7 per cent. In any analysis I can get of it, that factor alone is a positive. People feel there's an increased chance of getting work, and hence more people move into the work force.

If I could respond a little more fully to what I believe was the hon. member's question: what is this government and this budget doing for employment opportunities in the province? If he wants to take out his pencil and start adding things up, I'll give him some numbers. Under the 1983-84 budget projection, that part of the priority employment program that still has to be expended will create 1,060 man-years of employment. The summer temporary employment program that was announced just prior to the Easter recess will create 1,445 man-years of employment. The new employment expansion and development program, which is a joint federal/provincial one, is projected to create 1,450 man-years of employment. The very substantive capital budget, on which the hon. member should be running an analysis, is projected to create in the neighborhood of 38,000 man-years of employment opportunities.

Specifically under the Alberta economic resurgence plan, the heritage fund mortgage interest reduction program is projected to create 2,135 employment opportunities. The Alberta heritage fund for small business and farm interest shielding is projected to create 330 man-years of employment opportunities; the enrichment to the farm fuel distribution allowance, 505 man-years of employment opportunities; the primary agricultural producers' natural gas price protection plan, 50 man-years of employment opportunities; and the truck licence fee reduction program, under the resurgence program, 85 man-years. In addition, there are some other significant parts on which I haven't got the exact projections, such as the senior citizens' home improvement program and the royalty tax credit.

I again remind the member that he can't get up and criticize movements toward the reality of the market place in one breath and demand programs that stimulate employment opportunities in the next.

Thank you, Mr. Speaker.

MR. MARTIN: Must have drilled him for days on that one.

MR. NOTLEY: I'd remind the minister that he's still 100,000 jobs short. I did a running total.

I'd like to direct my supplementary question, not to the hon. minister who just answered but to the hon. Provincial Treasurer. [interjections] This is with respect to page

8 of the Budget Address. In referring to the \$5.4 billion oil and gas activity program, the Provincial Treasurer said: "Already there are positive signs of recovery, with increases in industry cash flow." In view of the information made available by the Canadian association of oil and gas drilling contractors that there is a 24 per cent reduction in the number of wells drilled in the first two months of 1983 compared to 1982 and given the 146,000 people out of work at the present time, on what basis does the Provincial Treasurer conclude that there are positive signs of recovery?

MR. HYNDMAN: Mr. Speaker, the information in the budget is correct, and I believe the information tentatively offered by the Leader of the Opposition is wrong; I ask my colleague the Minister of Energy and Natural Resources to provide further elaboration and light for him.

MR. ZAOZIRNY: Mr. Speaker, in responding to the claims of the hon. Leader of the Opposition, I simply refer him to the most recent edition of *oilweek* magazine, to which he has referred on other occasions in this Assembly, and indicate that to April 2, 1983, the well completions in the province of Alberta are up significantly from those of 1982: 1,685 well completions compared to 1,485 for the comparable period in 1982. I also point out that the metreage that has been drilled has similarly increased over the comparable period in 1982.

Mr. Speaker, that's not to suggest that there aren't some difficulties being experienced in the industry, which derive largely from the world price difficulties and from the need to ensure the marketing of both our oil and natural gas. That's why this government has been working so hard with respect to crude oil marketing and ensuring that we are minimizing the level of shut-in oil here in Canada, and that's why we have moved in a significant way to ensure the maintenance and potential for expansion of natural gas marketing in the United States. I submit that all of those approaches and initiatives are consistent with the Alberta resurgence plan and the oil and gas activity plan, and in fact we will continue with those very significant endeavors.

MR. NOTLEY: Mr. Speaker, a supplementary question. Can the hon. Minister of Energy and Natural Resources confirm that the information with respect to the completion of drilling is in fact related to the drilling subsidy program, which is one of the few aspects of the economic resurgence program which has performance guarantees as basically a part of the program?

MR. ZAOZIRNY: Mr. Speaker, I wouldn't want to engage in any sort of hypotheses as to the basis upon which we have seen the level of activity in 1982. There's no question that the well servicing and development drilling program was a particularly effective one, and I'm pleased to see that the hon. member is acknowledging that in the Assembly.

But I go on to say that there has been a very significant improvement on the part of the producing companies with respect to their cash flows and with respect to dealing with serious levels of debt that arose as a result of their expansions in recent years to meet expected markets. We're seeing that transition, that reduction in debt, occur. We're satisfied that in the near term we are going to see that reinfusion of dollars into the Alberta oil and gas drilling exploration program. In fact, if the member will bide his time, those results will be clear to all.

MR. NOTLEY: Mr. Speaker, a supplementary question to the minister. In light of the fact that we're talking about completions as opposed to new wells being commissioned — and as the minister quite correctly pointed out, in large part that's due to the drilling subsidy program, which is a performance-related program — is it the minister's intention to recommend that there be a major overhaul of the economic resurgence program as it applies to the oil industry, to ensure that the performance guarantees that made the drilling subsidy program effective are effective across-the-board — instead of across-the-board rollbacks of royalties, without performance guarantees, that we take the principle of the program the minister just identified and extend that across-the-board to all programs?

MR. ZAOZIRNY: Mr. Speaker, the hon. member is requesting that I seek changes in a program that is working very effectively, and I certainly won't be doing that. We very strongly believe in the program that is in place.

I should mention to the hon. member that there are a number of other programs which have been instituted over a period of time by this government, including the exploration drilling incentive system and the geophysical incentive program. Those programs, as the hon. member is well aware, are presently under review. We believe that the drilling opportunities and the drilling incentives which are presently available in the province of Alberta make Alberta the most desirable place in the country for drilling and exploration activity.

MR. NOTLEY: Mr. Speaker, my supplementary question to the minister is whether or not, in light of the demonstrated success of performance-related programs

MR. SPEAKER: Order please. The preceding question was put at considerable length, and we now have a repeat of the same question. If the hon. leader has another supplementary, he might wish to proceed with it.

I realize that some of the answers have been somewhat long, certainly with regard to a previous question. But the hon. leader will certainly recognize that in fairness, if he throws down the gauntlet to a minister, he mustn't be surprised if the minister tries to fling it back.

MR. NOTLEY: Mr. Speaker, on a point of order. I simply say to you, sir, that in fairness, when the minister throws down the gauntlet, he should not be entirely surprised if members of the opposition come back as well.

Mr. Speaker, I would like to direct my supplementary question to the Provincial Treasurer. In light of the figures his colleague gave about public works and still being substantially short, what consideration is this government giving to supplementary capital estimates being presented to the spring session of the Legislature, rather than going the route of special warrants?

MR. HYNDMAN: Mr. Speaker, that is not being considered. Again this year, the \$1.9 billion capital budget leads, on a per capita basis, that of all other provinces in Canada and the federal government. In our view, it is the private sector of this province which will be the basic engine of recovery. The programs which we have introduced and put forth in the budget are unmatched, and they will continue.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. Premier. Given the Provincial Treasurer's answer, has there been any review by any department of government with respect to the programs announced by the Premier's colleague or by the Provincial Treasurer, as well as assessments of the private sector, as to what the employment outlook will be in this province at the end of the year?

MR. LOUGHEED: Mr. Speaker, I think that was very clearly set forth in the Budget Address by the Provincial Treasurer.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. Minister of Economic Development. Given the current unemployment crisis, has the government considered instructing or requesting that either agencies of the government or Crown corporations insist on offset arrangements when they purchase major items? For example, I use PWA's purchase of the 767 aircraft without getting offset arrangements for aerospace workers who are out of work right here in the province of Alberta. Has there been any reassessment of the government's policy of simply saying to the corporations: it's up to you; we're not going to ask you to get those offset arrangements.

MR. PLANCHE: Mr. Speaker, in an informal way, yes there has. On the specifics of the purchase of 767s from Boeing in Seattle, some of my colleagues and I were down as much as a year and a half ago. The difficulty remains the capacity of Alberta manufacturers to do offset work. Where there have been opportunities, we have requested responses from appropriate industries. If they've been in a position to supply, they've been encouraged to do so.

MR. NOTLEY: Mr. Speaker, a supplementary question.

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

MR. NOTLEY: Can the minister outline to the Assembly the number of jobs, if any, that have been created as a result of the minister's discussions with the Boeing aircraft corporation?

MR. PLANCHE: I can't respond on that specific, Mr. Speaker. It seems to me the airline's list of purchase material that could be used as offset for Canada mostly revolved around kitchen facilities and catering facilities within the aircraft and the airports. I believe there were three companies in Alberta that had the capacity to manufacture those, and all three declined to participate.

MR. R. SPEAKER: Mr. Speaker, a supplementary question to the Minister of Municipal Affairs, with regard to employment. Small business will be one of the key factors in economic recovery in this province. Could the minister indicate whether the department is reviewing the impact of property tax on businesses in this province? If so, could the minister indicate what effect property tax is having on employment in this province?

MR. KOZIAK: Generally speaking, Mr. Speaker, property taxes in this province are amongst the lowest in the nation. This is particularly so with respect to property taxes that are assessed against dwellings, and I am sure the same can hold true with respect to rural properties. In

some cases, the fact that the split mill rate can attract a higher rate of tax for commercial properties may have some effect, though I don't think it's significant. However, that aspect of taxation rests solely within the realms of the municipalities.

#### **Hospital Management**

MR. NOTLEY: Mr. Speaker, I would like to direct the second question to the hon. Minister of Hospitals and Medical Care, with respect to private hospital management. In planning for the four new hospitals in Edmonton and Calgary, what consideration has been given with respect to engaging the services of American Medical International (Canada) Ltd., or any other private firm, for the purpose of managing these hospitals or giving the government advice in the planning process?

MR. RUSSELL: Mr. Speaker, in Alberta it's similar to considerations in several of the other provinces; that is, we are very curious as to whether or not there may be potential savings in having one or more hospitals in the province administered by a private management firm. I indicated earlier in the House that we asked for proposals at the time the federal government turned over the Colonel Belcher federal hospital to the province. In that case, they all came in above what a board budget would have been, so we turned it over to district board 93 to run.

We don't have any particular hospital, project, or company in mind. Our planning all goes forward on the basis of programs that are developed and recommended by local hospital boards. But if the opportunity did arise when it might be useful for Canadians to know if in fact there are any savings to be achieved through private management, then I think we would want to explore that.

The hon. member referred to a unique opportunity that may arise: four identical hospitals being built in two Canadian cities at one time. As a pilot project, it may be useful — and I emphasize "may", because no decisions have been taken — to have one of those run as a privately managed hospital and the other three under the traditional board set-up, and it would give us a good test project in the field. But beyond that, there are no specific plans.

I notice the government of Saskatchewan has long done this, prior to the last provincial election there, so it's nothing new in the field of hospital management. The province of Ontario has recently brought a new pilot project into phasing.

MR. NOTLEY: Mr. Speaker, a supplementary question. The minister outlined the possibility with respect to the four new hospitals. Given the fact that the government has now taken over the planning for those hospitals, who would in fact make the decision should the government decide to embark upon private management? Would there be consultation with the boards, or would it in fact be a decision of the minister?

MR. RUSSELL: It's very difficult to answer that question, Mr. Speaker, because at the present time there are no boards responsible for any of those hospitals. In the case of the Colonel Belcher, that was the situation there as well. When we announced that it was the intention of the province to build the four hospitals as four identical projects, we did say that we would review the matter as they entered the construction phase and determine which

would be the most appropriate board to manage them. The boards that had previously been identified are still very interested in doing that work.

MR. NOTLEY: Mr. Speaker, a supplementary question. Could the minister outline for the Assembly's benefit what process is used by the department to evaluate the feasibility of moving to private management? On what basis would that be done? What kind of information data base would the government be acquiring, and specifically what assessment of possible management firms is undertaken by the department? I referred to AMI, the major one. What review process, if any, has the government in place at this stage to ascertain the adequacy of these particular concerns?

MR. RUSSELL: Since in my recollection it's only been tried once in Alberta, Mr. Speaker, the only thing I can say is that it's carried out in the traditional tendering process; that is, the specifications for levels of service and performance are laid down, programming guarantees and a contract price are asked for. When those things are considered among the bidders, the characteristics of the bidders are analysed by the department. At the same time, the usual sets of performance guarantees are asked for. So there is really nothing very unusual about it.

MR. NOTLEY: Mr. Speaker, I'm glad there are performance guarantees someplace in this government.

I'd like to direct this final supplementary question to the hon. Minister of Consumer and Corporate Affairs. What does the department do in monitoring the adequacy of these firms, particularly as it relates to the major firm having charges laid against it in the United States for breach of anti-trust legislation? So we don't get ourselves into difficulty in Alberta, what monitoring program has the Department of Consumer and Corporate Affairs, or the Attorney General's Department, if that particular department has the responsibility?

MRS. OSTERMAN: Mr. Speaker, I'm not aware that we have a monitoring program. Certainly if a member of the public brings to our attention that there's a problem in that area and it's something that's within our jurisdiction, we'd undertake to make that investigation.

#### **Farm Residential Assessments**

MR. R. SPEAKER: Mr. Speaker, my question is to the Minister of Municipal Affairs and relates to the farm residential assessment that is going on. Could the minister indicate whether the statistic that 90 per cent of all farm residences will continue to be exempt still holds on the announcement of the program that was a projection of the government. Has the government reviewed that statistic, and is it different?

MR. KOZIAK: Mr. Speaker, as hon. members are aware, there are certain exemptions with respect to farm residences, which from time to time are adjusted. Basically they permit the exemption of what you might call a basic farm residence and provide for the assessment of any farm residence that would be more than the basic. That figure is in the vicinity of some \$40,000. I don't have the exact figures at my fingertips.

I know that the Alberta Association of Municipal Districts and Counties has been discussing this aspect during the course of its recent convention, and there were strong-



ly held points of view on both sides of the issue as to what should be done with respect to the assessment of farm residences. There's a growing feeling in rural communities that farm residences should be assessed in their entirety. At the same time, there is a fear that if that were to happen, adverse results might flow from the equalization process. That is one of the concerns that prevents whole-hearted support of the concept of assessment of farm residences in their entirety.

MR. R. SPEAKER: Mr. Speaker, a supplementary question. The minister really didn't answer my question with regard to whether more than 10 per cent of farm residences in Alberta will be taxed. Could the minister indicate whether the department is monitoring this program and if there is a possibility of a revised set of terms of reference in terms of assessment and taxation of farm residences?

MR. KOZIAK: Mr. Speaker, I could share with the hon. member a couple of pamphlets which I'm sure would be useful. I have them with me, and I'll have them directed to . . . They will assist the hon. member in understanding the approach that's taken towards both rural and urban assessment in the province. I can't give the hon. member any assurance as to the number of farm residences that would fall into the exempt category. That, of course, depends on the degree to which farmers in the province are expanding or improving their residences. That has nothing to do with the assessment process. It has a lot to do, though, with the market value of buildings that farmers construct as farm residences on farms.

MR. R. SPEAKER: Mr. Speaker, a supplementary question with regard to the legality of the assessor entering a farmer's home for assessment. Could the minister indicate whether representation has been made to his office with regard to this matter? Is it a matter of concern across the province?

MR. KOZIAK: As a matter of fact, Mr. Speaker, I haven't received any representations on that issue personally. As to the legality, I'm sure the hon. member, having served in this Assembly for a period of time even longer than I, would be well aware of the nature of that question relative to the rules of the Assembly. I'm sure that the statutes of Alberta are equally available to him as they are to me.

#### **Lodgepole Inquiry**

MR. MARTIN: Mr. Speaker, I'd like to direct my question to the Minister of Energy and Natural Resources. Is the minister in a position to inform the House why the people of Edmonton will not have an opportunity for input to the terms of reference for the ERCB hearings?

MR. ZAOZIRNY: Mr. Speaker, I presume the hon. member is referring to the planned inquiry with respect to the Lodgepole blowout, and I would simply have to advise the member that I'm not aware that any final decision has been taken in respect of that matter. I could inquire into it and report back to the Assembly.

MR. MARTIN: A supplementary question. Would the minister discuss the possibility of a pre-inquiry hearing in Edmonton, which was originally planned by the ERCB

but, for some strange reason, seems to have been dropped? Will they carry on discussions about this?

MR. ZAOZIRNY: Mr. Speaker, as I have mentioned on other occasions in the Assembly, the Energy Resources Conservation Board is a quasi-judicial body which makes its determinations as to how it must proceed with respect to a particular matter based upon the given circumstances in each case. I say strongly, Mr. Speaker, that I would not intend to interfere with the authority of the Energy Resources Conservation Board to make the determinations it feels were most appropriate, given a particular fact situation.

MRS. CRIPPS: Supplementary, Mr. Speaker.

MR. MARTIN: Supplementary, Mr. Speaker.

MR. SPEAKER: Possibly we might just follow through with the hon. Member for Edmonton Norwood for another supplementary or two and then go over to the hon. Member for Drayton Valley.

MR. MARTIN: I understand that the ERCB has not yet committed to holding a formal inquiry itself in Edmonton. I recognize what the minister is saying about the ERCB but, as the Minister of Energy and Natural Resources, will he put pressure on to try to have these hearings in Edmonton where a number of people were concerned? I think you would agree with that.

MR. ZAOZIRNY: Mr. Speaker, it had been my understanding that no final decision had been taken by the Energy Resources Conservation Board with respect to — in addition to holding formal hearings in the Drayton Valley area — whether or not there might be some hearings held in the Edmonton area. Now if the hon. member has information to the contrary, then as I say, I'll simply have to inquire into the matter. But to use his own language, I would not intend to put pressure on the Energy Resources Conservation Board to conduct its quasi-judicial proceedings in one fashion or the other.

MRS. CRIPPS: Supplementary to the minister, Mr. Speaker. Since four Edmonton-based groups made representations at the pre-inquiry hearings, would that not constitute input into the pre-inquiry determinations for the hearings?

MR. ZAOZIRNY: Mr. Speaker, it certainly had been my understanding that there was participation by various groups from the Edmonton area at the first pre-inquiry hearing, and it's my understanding that a further opportunity would be available through the second pre-inquiry hearing. The hearings themselves of course are not scheduled to commence until sometime later on in the year to give the various interested groups a full opportunity for preparation. It certainly has been my understanding that there is an opportunity for input.

#### **Public Service Terminations**

MR. STEVENS: Mr. Speaker, a few days ago the Member for Edmonton Norwood asked

why 14 members of the accommodation services division of the Department of Public Works, Supply and Services have been given layoff notices as of March 31 . . .

The member went on to note that other staff, both permanent and non-permanent were given notice for July 1, 1983.

The minister may wish to supplement my remarks, but I have conferred with him, and I can advise the House that there are no layoff notices, either permanent or non-permanent, effective July 1, 1983. A total of seven non-permanent employees were given two months' notice of termination as of reduced workload, and eight persons employed on a fee-for-service basis were advised, in accordance with the terms of their contract, that their contracts would be terminated effective March 31, 1983, again for reasons of reduced workload for '83-84.

MR. CHAMBERS: Mr. Speaker, I might supplement the remarks of my colleague further to the questions that were asked by the Member for Edmonton Norwood. The report by Mr. Mark, which has been alluded to by the Member for Edmonton Norwood, was requested by the accommodation services division of my department. It was really for the purpose of evaluating which of those members of the civil service require private offices. The bulk of the report dealt with that question.

During the course of this assessment, Mr. Speaker, comments were passed on to the consultant by non-senior management personnel in various departments, which the consultant felt obliged to bring to the attention of the administration of the Department of Public Works, Supply and Services. The bulk of those comments dealt with generalities from people who were resisting that function of accommodation services, which I feel is necessary in order to control costs. It also became obvious that the major problem was one of communication. In order to address the communication deficiency, the administration held seminars with user departments on March 8, 9, and 10 of this year to explain the process and to review the first draft of the user manual, which will be provided in due course to all departments of government.

MR. MARTIN: A supplementary question. Is the minister looking into the comments, regardless of where they came from, because there may be problems in the department? Is he looking into it?

MR. CHAMBERS: Mr. Speaker, I'm satisfied that the administration has given proper consideration to the comments of that report. Again, I think the problem was essentially one of communication and, through those seminars which have taken place, I think the user departments are well aware of operational procedures. I think, therefore, that the concerns have been answered.

## ORDERS OF THE DAY

### head: COMMITTEE OF SUPPLY

[Mr. Purdy in the Chair]

MR. DEPUTY CHAIRMAN: The Committee of Supply will please come to order.

### Department of Hospitals and Medical Care

MR. DEPUTY CHAIRMAN: Today is designated by the Leader of the Opposition for study of the estimates of

the Department of Hospitals and Medical Care. Has the minister any opening comments?

MR. RUSSELL: Very briefly, Mr. Chairman, I'd just like to emphasize again, as I did during the budget debate, the magnitude of these funds and votes and the share of the total provincial budget that they're starting to take. We're up to a 22 or 23 per cent share of the budget, and that's not including the several hundred million in addition that comes from the heritage trust fund for medical and hospital purposes.

In reviewing the votes, there are really three streams the members should recall that are involved in funding. There are medical services, hospitalization, and capital construction. The only reason I mention that is because there seems to have been a bit of confusion, particularly among members of the media and opposition, as to the difference between medical services and hospitalization. It is important to keep the two programs separate. They are funded differently, and they do provide different kinds of services to Albertans.

So with that, Mr. Chairman, I'm prepared to take the comments of the hon. members.

MR. NOTLEY: Mr. Chairman, thank you for recognition. I'd like to begin by saying that the reason the Official Opposition designated the Department of Hospitals and Medical Care is that we feel very strongly that one of the intended programs of this department in 1983-84 is wrong. When one discusses the provision of supply to Her Majesty, it is only appropriate to discuss, in whatever detail is necessary, the adequacy or otherwise of announced or intended programs by this government or any government.

Of course, Mr. Chairman, I'm referring to the user fee issue. I think what we have to assess at this time is the future of our health system. I think when most of us talk about our health system — the Minister may say that we should separate medicare from hospitals but, in actual fact, we really have to look at the two together because they stand as pillars of a modern health system.

Mr. Chairman, it's some years since the federal government passed legislation — my memory could be wrong, but I believe it was 1956 — which set up the first cost-sharing arrangement for hospitals. I remember that decision because the then premier of the province of Saskatchewan, Mr. Tommy Douglas, felt that the life-long dream of being able to go the next step and bring in a system of medicare — Saskatchewan had initiated hospitalization during the 1940s — was now possible because of the new cost-sharing arrangement established by the St. Laurent government. I think the events of the years that followed are important to note because some principles came out of those events that, in the judgment of my colleague and I, are being offended by the provision of user fees.

Look what happened. In the late '50s the government of Saskatchewan began assessing whether it was possible to have medicare. In the election of 1960 in that province, the CCF party led by Tommy Douglas put to the people the promise that should they be returned to office, Saskatchewan would bring in the first prepaid, universal, publicly operated medical care system. The government was returned, and in 1962 we had the decision to finally pass the legislation. On July 1, 1962, we had medicare initiated in the province of Saskatchewan — not easily. Members will recall in that particular province there was a dramatic doctors' strike that lasted for three weeks. We

had what was called the Saskatoon agreement, where the Saskatchewan college of surgeons sat down with the government and worked out a set of principles which became the basis for the medicare part of health right across the country.

What were those principles? First of all, there should be a system with universal accessibility. Health care is basically a right, not a privilege but a right. That was the first principle. The second principle is that it should be publicly operated: we would get away from this business of various private plans and have one publicly operated scheme. The third principle is that as much as possible within the capacity of a provincial government, the cost of operating that medicare system should be borne in relationship to people's ability to pay. That's a vital principle when we look at the delivery of health because we all know that health costs are high. There's no easy answer to controlling health costs. I'm going to discuss some options in a moment. But I think the vital point that people of Saskatchewan recognized in 1962 was that as you provide those services, the burden of digging up the money should be borne in relationship to people's ability to pay.

During those years, Mr. Chairman, we had the Diefenbaker government in office. Diefenbaker appointed Mr. Justice Emmett Hall. Mr. Hall brought in a major report on Canada's health care system. It was tabled in 1964. It became the basis of a federal/provincial agreement which finally in 1969 led this province to enter medicare.

So we had the two parts of the system, Mr. Chairman. We had hospitalization covered by cost-sharing agreements; we had medicare covered by cost-sharing agreements. The underlying principle of the whole set-up was that the benefits of modern medicine and health should be equally available to everyone, regardless of who they were or where they lived, and that we should pay for those benefits in relationship to our ability to pay. The high-income people should pay more because they have a higher ability to pay.

Mr. Chairman, with that little bit of history — I think it's important to have the background because there are many people who have argued over the years: no, we should have a fine health system, but it's not a right; it's a privilege, and therefore people should look after their own costs. That's certainly the prevailing mood in the United States. We patched things up a bit in the United States. They've got a program for senior citizens, a program for the desperately poor, but basically the argument in the United States is: look after it yourself. In Canada, as a result of the series of very dramatic events in the late '50s and early '60s, culminating in 1969 in the decision of this province to enter medicare, we had a different concept. Some may not like that concept. I do because I think that health care is a right in a modern civilized society. In paying for anything that is a right, I think it is only fair that people pay in relationship to their ability to pay.

Mr. Chairman, with those principles clearly in our minds, let's look at the proposal that the minister brought to this Assembly in his budget speech a few weeks ago. The minister says that he's not really out to wreck health care. I accept that. I think that the minister is concerned about having a first-class health system; I'm not arguing that. But you can have a first-class health system without universal accessibility. The first principle that was established by the Saskatoon agreement was there that should be universal accessibility. You have some of the finest hospitals in the world in the United States, but you don't

have universal accessibility. The quality of service you receive depends very much on your ability to pay. In Canada we have said: no, we don't want to go that route; we want a first-class health system, but we want that system universally available.

The minister says: we need more money, and perhaps we can raise more money through the introduction of user fees. But I say quite frankly to you, Mr. Chairman, that there are other ways to raise more money, and the minister knows that. If you want to raise more money to pay for health care in this province, why not follow the learned observations of Mr. Justice Hall who said that premiums and all kinds of other charges being tacked on are administratively difficult to collect? Raise the money through the income tax system.

I don't mind standing in my place, Mr. Chairman, and saying — and the minister can go out to my riding and quote me, maybe go to Berwyn or Grimshaw at the site of the new Berwyn Hospital and speak there. He can quote me wherever in my riding. I would be prepared to see income taxes rise in this province before user fees in order to pay for health care. I believe that what is at stake here is not a system of fees which penalize the sick but whether the higher income people are going to pay their fair share of the freight.

The basic argument behind medicare, behind hospitalization, is not that we provide free services for anyone — there is no such thing as free services — but that we provide services that are available to everyone. Then we pay in relationship to our ability to pay, so that higher income people will pay more. Certainly if we had a surcharge on income tax, people with incomes of \$40,000, \$50,000, \$60,000, or \$100,000 a year would be paying a good deal more than \$20 a day user fees, as they should; perhaps I should say, as we should. But the fact of the matter is that the issue is a pretty important one: payment in relationship to our ability to pay.

Mr. Chairman, the second point I'd like to make — the minister says that we have all kinds of abuse in the hospitals. I must confess that I was rather intrigued to learn from the minister that apparently the government had some sort of revelation and discovered that all kinds of people were using hospitals for babysitting services. I don't know where the minister gets this information because in the vast majority of cases, with the exception of emergency wards, the minister knows perfectly well that doctors admit people to hospitals; people don't admit people to hospitals. If certain doctors are abusing the system, don't take it out on the patients; deal with the doctors if they are overusing the system. But I don't think there's any evidence of that, Mr. Chairman, because I look at the minister's own report.

There are a number of observations that this hospital utilization committee has made. I remind members of this committee, Mr. Chairman, that I sat in the House between 1979 and 1982 and heard over and over again from the minister and all the government members that we had this important committee that was going to be looking at the utilization of our hospitals and, boy, were we going to take heed of those recommendations. But you know, there's nothing in this report about user fees, nothing in this report of the experts about babysitting, nothing in this report about all the things we've heard from the minister and the government backbenchers in trying to defend this program.

This wasn't commissioned by the New Democratic Party, the Friends of Medicare, the Alberta Federation of Labour, the nasty Liberal Party, or even the Social Credit

Party. It wasn't commissioned by any of the evil opposition in this province. It was commissioned and proudly heralded by the government as an important document. Then it's tabled, and we don't hear anything more. All of a sudden we have this back-of-the-envelope approach, quick-fix solution: user fees will be the way to solve abuse of our hospital system.

Mr. Chairman, I think we have to ask ourselves where is the evidence? I'm very interested to ascertain why, if the minister has discovered this evidence, the hospital utilization committee didn't discover the evidence, and why the minister's discovery of this evidence is so closely related to the political arguments he has to marshal to try to sell this user fee program. I say to the members of the committee that we are dealing with one of the most important programs of this government, one of the most important rights Canadians who live in Alberta have. And I for one am not going to vote for the estimates of any department until I am assured of a number of major outstanding questions that relate right to the principle of what, this government is attempting to do to our health care system.

Before I look at some of the alternatives that I think the government should have explored, which are outlined in the hospital utilization report, let's examine one other very important item. We have a cost-sharing arrangement with the federal government. We've gone through many, many stages since that first move in 1956, all the way from tax points to what have you. Mr. Chairman, to what extent are we risking federal funding with this kind of program? In her telegram Madam Begin makes it very clear that she feels the program seriously offends the principle of universal accessibility, as well as the portability provisions of the agreement. If there's any doubt at all as to whether we're in breach of agreement on something as important as health care, then I say to this government, better that you back off and pull in your horns because this is too important a matter.

We're looking at \$20 million a month, \$250 million in this particular program alone. For a government that still owes a deficit of almost \$1 billion a year, even after globbing off \$2 billion from the heritage trust fund, we can't afford to be frivolous about an arrangement with the government of Canada that brings us in a very considerable amount of money. In my view, to play fast and loose with this arrangement is reckless in the extreme.

I don't know what the options are if the federal government says no, we're not prepared to pay a dime to Alberta because, in our judgment, this province is in breach of the agreement. You know, a deal is a deal, Mr. Chairman. We make certain undertakings. If it turns out that this program is in breach of that agreement, and there's at least some indication that the federal minister thinks it is . . .

Perhaps the minister will have an opportunity in the estimates debate to bring us fully up to date on all the telexes he's received from Madam Begin. If he's in a position to assure us that he has information from the federal government that they are happy with user fees, then fair enough, this argument I'm presenting now will be swept aside. But I have a sneaking suspicion that isn't the case. I have a sneaking suspicion that there is still some real doubt whether or not user fees, as proposed by this government, are consistent with the basic agreement we have with the government of Canada.

The last time this was discussed, the members of the government raised all kinds of issues. They simply said,

you know, it's discretionary. Mr. Chairman, I think that the very fact that it's discretionary probably puts user fees into more serious difficulty than if it were universal. One of the agreements we have is that accessibility should be equal to everyone, but we're not going to have equal accessibility. If a person goes into Fairview general hospital, it may be \$20; you go into Spirit River general hospital, maybe \$15. If you go into Berwyn general hospital, a new site in Grimshaw, it might be no dollars at all; they may not have a user fee.

When you have this kind of hit-and-miss arrangement, because it's going to be administered by the hospitals, you're not going to have the same kind of conditions for people when they go to the hospital. Do you take \$10 with you when you go to the emergency ward of the Holy Cross in Calgary but not the University in Edmonton? We're going to have a situation that is going to be totally unequal all over the province. I would say that the very discretionary nature of the program is going to get this government into trouble with the feds when it comes to interpretation of the agreement. I think you had better think about that, Mr. Chairman.

Now the suggestion is that this is going to be an infusion of money. I must confess that I was amused to listen to the suggestion that people use emergency wards for babysitting and that somehow we're going to stop that by having user fees. The minister should know — and if he doesn't somebody in this House on the government side should tell him — that if you have people with larceny in their souls to the extent that they're going to use hospitals for babysitting services, they're still going to use them and they aren't going to pay the user fee. The hospital will have to chase all over hell's half acre, if I can use that expression, to try to collect that user fee and will never collect it. What makes you think that a user fee is going to stop abuse from a person who is deliberately going to abuse a system? No, Mr. Chairman. I would just simply say to the minister, think it through again.

I agree that we need more money in our health system, but I think there are better options than user fees. Let's look at some of the things we could do. Let's look at the government's report, an important report. I know we have an awful lot of old-fashioned free enterprisers who say, I don't want any limitation on my liberty. But we have this conclusion here on seat belts. Mr. Chairman, I have to be very honest with you, I don't like the idea of wearing seat belts. I should. But let me tell you as a responsible Alberta citizen, if we can save a lot of money, if we can avoid the over use of our hospitals — and the government report here is devastating because the worst and most expensive kinds of injuries, are the injuries that come from automobile accidents. If we can cut those costs with a system of compulsory seat belt legislation, then let's do it.

If this government hasn't got the courage as a party to say let's do it — they are all politicians, fair enough — put it to the individual members and have a free vote. I must say that in our neighboring province, when the NDP was the government of Saskatchewan, it was a hot potato. The government didn't want to take a stand on it; they should have I think, but they didn't want to take a stand. But at least they put it to the Saskatchewan Legislature as a free vote. I challenge the minister. We're interested in keeping costs in hospitals under control. Go to your members of Executive Council and put a free vote to this Assembly on compulsory seat belt legislation so all of us will have to stand in our place and say either yea or nay. Take off the whips. Let the members deter-

mine; let them be accountable. The minister shakes his head.

I'm simply saying to the minister that before you start bringing in hospital user fees, you start exploring the alternatives and don't have government backbenchers standing up saying there are no alternatives coming from this side of the House. These are the alternatives that the government's own report has identified. If this government hasn't got the intestinal fortitude to move on its own with these alternatives, at least let the members stand in their places and be accountable to their constituents.

Then we've got alternatives to active treatment hospitals, page 52 of the report:

Innovative programs may, over time, become cost-saving alternatives or supplements to the traditional active treatment hospitals.

But innovation is often expensive to implement, its initial impact may be limited, and until proven it usually requires continued operation (as a back-up) of health care systems that already exist.

Then it goes on to point out, Mr. Chairman, the types of day care programs that would be possible. We could have extended home care so people don't have to be in the hospital for as long, or they can be admitted more quickly because we've got our home care program in place. But I look at the estimates for the home care program and find it's stuck in rigid restraint. So when we should be getting people out of hospitals, when they could go out into their homes — at least according to this report — we can't do it because our home care programs aren't active enough.

On page 57:

Hospitals be encouraged to provide alternatives to traditional in-hospital treatment, such as day care, day surgery and preventive health programs.

Both chronic and active treatment hospitals develop more vigorous discharge planning and utilization review techniques.

Those are suggestions which in my view make a good deal of sense. Why shouldn't we be looking at them as alternatives?

On page 60 of the report:

Day care, meaning patient availability for a period of 1/2 to 6 or even 8 hours, has a number of other origins according to the current medical literature

...

Day care programs, hospital or clinic based have been the product of inventiveness of institutions and professional groups ...

Over the past 10-50 years, groups of physicians have concluded that day care represents a decided patient advantage.

And then, Mr. Chairman:

Finally, and important in this era of constraint, day care programs may offer a significant cost saving to the community when offered as an alternative to admission.

Reasonable proposals, Mr. Chairman, but where do they sit? They seem to have got lost. Because what we have instead is this attempt to borrow from the past, turn back the clock to bring in a system which has absolutely no advantage at all.

I know the minister can cite all kinds of advantages. But let me suggest to you — I'll close my initial comments, but I suspect I'll probably have something more to say during the course of this discussion. Let me just remember for the sake of the members of this committee, that the march toward comprehensive health

care has been a slow one but one which has come as a consequence of fair-minded and objective people looking at all the facts. It wasn't won easily. It wasn't won because of a group of zealots on one side or the other.

It was won as the result of the most extensive and exhaustive kind of evaluation: in Canada with the first cost-sharing arrangement in hospitalization; in Saskatchewan with the Thompson commission, headed by the then president of the University of Saskatchewan, to look into medicare in that province; with a Diefenbaker government appointing Mr. Justice Emmett Hall, who's perhaps the most renowned person in this field anywhere in the country; with the efforts of provincial and federal politicians gathering together to reach an agreement. Every step of the way we have moved further toward a better system, a system that is based on important principles: accessibility and portability, so that wherever you live in Canada, whether it's Newfoundland, Alberta, British Columbia, the Yukon, Quebec, or Ontario, these basic services would be available.

Finally, Mr. Chairman, this is the important point because I don't want any member of this committee to suggest that those of us who are opposed to user fees are somehow trying to get a free lunch for people. The fact of the matter is these costs have to be paid. But the beauty of our system as opposed to the American system is that there is at least an element of fairness in the paying because so much of the money comes from our general tax system. For those who suggest we'd be better off with free enterprise, I challenge you to show why a good health care system in this country takes a smaller percentage of our gross national product than a very inadequate health care system in the United States. No, private health care isn't going to keep costs down. Many things can be developed to restrain and implement cost controls which are reasonable, but the point that has to be made — and I close on this — is that those costs should be borne in relationship to our ability to pay. That's what's at stake on user fees. Don't bring in this tax on the sick when there are other avenues open and when those other avenues would force those of us who are in a position to contribute our share to in fact do just exactly that.

This government has suggested that it wants to break new ground. I suggest this is not new ground at all. It is an effort to retreat from principles which are established and which, as far as my colleague and I are concerned, we intend to fight to keep.

[Disturbance in the galleries]

SERGEANT-AT-ARMS: Order! Order in the gallery, please!

MR. DEPUTY CHAIRMAN: Order in the gallery, please.

MR. MARTIN: I too would like to rise to participate in this debate and reinforce what my colleague has said about the whole health care system, Mr. Chairman. I know the minister has said that we should be looking at medicare differently than we look at hospitalization, but it comes to the same thing. What it comes down to when we bring in measures, I believe we are really attempting, in an ideological sense, to destroy our health care system as we now know it. I can come to no other conclusion. Clearly, we are going back on the basic idea of the medicare and health care system generally; that is: in an affluent country, and certainly in a province that is as

rich as Alberta, health care should not be determined by how big your wallet is. Surely that's what the principle is.

I know the hon. minister has said — and I've seen him say it on television — that it really doesn't cost much; we want people to know that this is expensive; there are no free lunches, exactly the words he used. He says it doesn't cost much. I want to bring the minister back into reality. Not everybody has a cabinet minister's salary. When you look at medicare premiums of \$336 for a family, plus if you're unfortunate enough to end up in the hospital, another \$300 — if that happens to you, that's \$636. I assure the minister that for some families, and certainly families in my riding, that is significant.

That is the difference between them making it and not making it. So if they're forced into a squeeze and have some sort of medical problem, they will just not go. Besides that, we still have double billing. We haven't knocked that down either. So they could be paying on that. I know that most doctors don't do this to people who are on welfare. But I can tell the minister that there's a group of people who are just above the working poor and the welfare level that this does affect very significantly.

The point we come back to is that it's a self-fulfilling prophecy. He says it's up to the hospitals. When you take the hospital system and you're deliberately not giving them enough money, obviously they're either going to have to cut back services or, of course, charge user fees. We know that everybody will be blaming the local boards out there. This seems to be a method that this government seems to enjoy: push it off on the local authorities. They have no alternative if they want to keep it up; they will have to go to user fees.

I think the minister is not telling us the whole story. We're talking about 5 per cent as the magic answer in public services. The inflation rate is still running at 8 per cent. If the price of oil happens to go up, the inflation rate will be much higher, then obviously the only alternative is user fees. He says, we'll save money and people will appreciate that they're paying for their own services. That person who runs in with an appendicitis attack is really going to appreciate it as he has to dig in and get his \$10. I'm sure that will make him much more aware. He will not have an appendix attack later on.

The point that we're trying to make, Mr. Chairman, is clearly that this is a regressive tax, no matter how you talk about it. The Provincial Treasurer said in the budget the other day that we are very proud because we're not increasing income tax. When you take money out of the lower income, as we are here, it is clearly a regressive tax because people pay medicare premiums or user fees if they're sick. It doesn't make any difference whether you earn \$12,000 or \$122,000, you end up paying for that. So as my colleague said, instead of trying to nickle and dime the middle- and lower-income, why don't we bring it through our income tax? Make sure we have enough money there. At least there's some relative ability to pay as one can afford it.

But I think it is also important to take a look at it. The minister is concerned — and my colleague talked about this; I'd like to go into this in a little more detail. He talked about the fact that there's no free lunch. He's worried about the cost as our health care goes up. Nobody would question that everybody is worried about the cost, Mr. Chairman. The point that I would make, though, is let's look at the alternatives. My colleague has talked about hospital utilization. There are other things that we could look at to look at costs in the health care

system.

Just a few ideas for the hon. minister: we could reduce the number of extended care patients in active treatment hospital beds. Many patients spend months in active treatment hospitals simply waiting for space at a lower cost auxiliary hospital. The government could free up an estimated one-third of the active treatment beds by spending more money on new extended care facilities and less on costly gadgetry.

My colleague — and I've talked about this before — has talked about seat belt legislation. When we know that we can significantly lower the cost, why do we — and the Minister of Municipal Affairs admitted that it probably did, but they'd leave it voluntary. What kind of political courage is that?

We could also improve Alberta's home care program and make it free of charge. Many hospital patients would go home today if adequate support services were available in their homes. Contrary to what the minister says, I don't find many people I've ever talked to who really enjoy hospitals. It really isn't the Holiday Inn. I don't think people are dying, so to speak, to get into hospitals. I think it's a ludicrous statement.

The other thing that we should be doing is shifting the focus of health care to prevention. The earlier a threat to health is detected, the more cheaply it can be attacked. In many cases, the illnesses need not develop at all if we shift the focus to maintaining health. Improvements in health education, sanitation, and immunization can lead to less illness and less hospital utilization. Most preventive health programs do not require costly doctor services. Let's look at preventive health care. Where are our community based health clinics? We could begin to have paramedics and nurses do many of the things that doctors do, thus freeing them up for more costly things like operations. Have we looked into this? Obviously not. We're just going to bring in user fees.

The point that I'm making, Mr. Chairman, is that there are alternatives. It would be one thing if we had absolutely no alternative, and it meant the difference between maintaining hospitals or not. But we have not even begun to look at any of the serious alternatives.

I would suggest, Mr. Chairman, that the reason we're into this is not to save money. It has nothing to do with saving money, because administrative costs may be just as high. What we're into is an ideological move by the government. They simply do not believe in the medicare system. I know the minister says that he's trying to infuse more dollars into the medicare system. That's nonsense. We are deliberately attacking the medicare system. This is just the tip of the iceberg. Some middle-income people may say, well, I can afford up to \$300 for my family. I can tell them that this is exactly the way it started in the United States of America, and my colleague has already talked about their health care system. Today in question period the minister clearly admitted that they are looking at private hospitals. What we're deliberately doing is setting up the trend to turn back the 20th century and move into the private hospitalization field. It is clear to me that we're doing it for ideological reasons rather than for saving money.

The point that we would make, Mr. Chairman, is that most people in Alberta do not agree with them on this issue. I think it's dishonest, at this particular time, to come back here in March after we've had a provincial election on November 2 — I do not recall them talking in the election about user fees. I'm sure not as many of them would be here if they had talked about it. If they're

serious about it and they believe it is an answer, why weren't they telling us on November 2, when the people would have had time to judge? No, we get conveniently re-elected, then we bring in all the measures and hope that Albertans will not remember four years down. Well I'll tell, you, Mr. Chairman, that on this issue Albertans are going to remember. We are going to help them remember.

I'm hoping that the government comes to its senses. I know the minister said October 1. I hope he's sent up a trial balloon, as cruel a trial balloon as it is, and is prepared to listen and not to bring it in if there is an outcry from the public. I think he'll find that there is an outcry. On this issue, I do not believe that you have the support of Albertans, certainly not the people who have been calling our office. In a democratic society, I think you should take that as an indication, and back off.

I'm suggesting to the minister, let's not repeal the 20th century. Health care is not a privilege for people with high incomes. It is a right for everybody in this province and this country. That's what the issue is. For ideological reasons, let's not move away from a health care system that most Americans who have travelled up here have said is far better than they have. Let's forget about private hospitals, double billing, and increased premiums. If we have funding problems, let's look at changing the health care system. Let's also put it in income tax where, again I stress, at least it's based on some resemblance to ability to pay. If we don't, I fear for the lower income people. It will be a province not to get sick in. The portability — what happens, as my colleague has talked about, if you happen to get sick in Saskatchewan and you don't have enough money for private insurance? What is going to happen there? We don't know the answers to those questions yet; at least we didn't the other day in question period.

In conclusion, Mr. Chairman, I say as honestly and sincerely as I can: Mr. Minister, please take a look at this and back off, because you are hurting a significant number of people with a proposal like this. There is nothing to stop the \$300. What happens when the user fees go up? What happens when the hospitals run into more finances? Mr. Minister, you know just as clearly as I do that they will have to put it on user fees. That \$300 could be \$600; it could be \$900. Next I am sure you will say we have to bring in private management so we can cut back on staff, and increase user fees. I say to you in all honesty, Mr. Minister, that it's the wrong way to go. The middle- and lower-income people in this society have just as much right to decent health care as anybody else.

Thank you, Mr. Chairman.

[Disturbance in the galleries]

MR. DEPUTY CHAIRMAN: Order in the gallery please. May I remind visitors in the gallery that no outbursts are allowed under parliamentary procedure. If this persists, I will have no alternative but to clear the galleries. Thank you.

MR. BATIUK: Mr. Chairman, I would like to get into this debate. No doubt I will talk about user fees, but this is not the only thing of concern in the budget. First of all, I must say that the hospital budget, despite all other restraints, is getting a considerable increase. I would like to commend the minister. Over the last number of years, I've admired his work not only as the Minister of Hospitals and Medical Care but previously as Minister of the

Environment and Minister of Municipal Affairs. Any time he brought programs in, they were to the benefit of the people of Alberta as a whole.

I have one concern in the constituency. Even though I am very glad to have one new hospital in operation and another one has been given approval, there is a dire need for more nursing bed accommodation in the town of Vegreville. The past federal census showed that the Vegreville constituency proportionately has the second highest number of senior citizens in the province. Even though many of these senior citizens are doing well and looking after themselves, some of them are in their 70s, 80s, and even 90s, and the next step will be the nursing home. There have been a number of requests. I well understand that you can't put accommodation all over the province at one time, but additional beds seem to me one of the biggest needs in health care in the Vegreville constituency.

I might as well bring to the minister's attention that two of the health institutions in the Vegreville constituency have been and are operating deficit free. I think this is a very important thing that we should look at. Probably this is because of the private hospitals. When we think back before our government took office, a mill rate of 4 mills was set for hospitals. Maybe I can take some blame for that, because back in 1971-72 I was one of a committee of five that was selected on the municipal finance task force by the Minister of Municipal Affairs, who is now the Minister of Hospitals and Medical Care. There were three former county reeves, including myself, and also two aldermen from the cities. We sat for a good number of days on the various recommendations, and one was to eliminate the hospital tax of 4 mills. We felt that the municipal hospitals did better because they were able to assess the 4 mills. But these private hospitals — and there are quite a number of them in the province — were not able to. They had no collecting authority. Some of them, no doubt, found it difficult to administer. I think maybe that's why some of these hospitals are operating deficit free today.

Another thing I must say is that I can see there is a need for user fees, and probably we have to go even beyond that. There has been a lot of abuse. I don't want to start reiterating; the minister mentioned a few things. As a member in the constituency, some of the people come in and acknowledge the abuses, whether it's the hospital, the medical system, or anything else. I don't want to talk about too many, but there are a few that I should mention.

[Mr. Appleby in the Chair]

One of our medical practitioners, who served the community for almost 50 years, retired. Naturally the hospital board did all they could to acquire the best applicant, and there were quite a number. But I really admire this person who came in; he's a good medical practitioner, very thorough. This elderly lady came in for a visit. I don't know what her problem was, but this doctor, being very thorough, checked her through and at one time applied the sphygmomanometer, the gadget to test blood pressure. After the thorough medical examination, this elderly lady came out and said: boy, this is a good doctor; he pumped three or four times, and I feel better already. I just wonder what the real reason was that the person did go.

Not too long ago one constituent, a senior citizen, complained that he has a health problem and will have to

take drugs for the balance of his life, but every month he has to go to have a prescription filled. I said, did you try to do anything? He said, yes, I went to my pharmacist; the pharmacist said, what are you concerned about, you're not paying for it anyway. Well maybe he is not paying directly, but every person in Alberta has been paying for it. Secondly, his concern was more than the payment. He had to sit in line, sometimes an hour or more, in the doctor's waiting room until his turn came up so the doctor could fill in this prescription. So he did have a worry.

Another concern was that a constituent had a really big problem and he went to a dentist in Edmonton. The dentist examined him. He wanted his teeth cleaned. It is only logical that if the dentist was busy, he would have to make an appointment, and he did. Three weeks later this elderly gentleman went in. The dentist said: you know, at your age, I wouldn't decide that your teeth should all be cleaned at one time; we should break them up in two. So he did one set at one time; the next appointment, three weeks later, he did the others. The bill was over \$1,000. But luckily this person came to me and told me what was done. I didn't hold back; I went directly to the authorities for it to be looked into.

It's the same with ambulance abuse. Not too long ago a constituent was in one of the hospitals for a minor operation. He went there with his half-ton truck. But the doctor insisted, when being discharged, that he go back in an ambulance; he couldn't go in his own vehicle. So that's what happened. He did go back with the ambulance. As soon as he reached his home, he hired somebody to take him back to Lamont so he could pick up his truck.

Now these things are happening, no doubt, in every constituency. If they're happening in the Vegreville constituency, they're happening in every other one. Somebody has to pay for it. There is no such thing as "for nothing". Every doctor doesn't do it, every senior citizen doesn't do it, and so forth. I have discussed this, and I know there are doctors in my constituency who wish some of these people would not come because they've got so much to do. They come whether they need it or not, and there is no way a doctor can refuse a person coming to see him.

I would suggest to the minister — since this is not going to come into effect until October 1 — that maybe we should look strongly at user fees by the medical practitioners. Maybe a person wouldn't go to his doctor unless there was a reason. Only the doctor orders the person to the hospital; nobody goes on his own. If a person really needs medical attention, I think he shouldn't object to paying \$5 or \$10 as a user fee. It's mainly charged with extra billing now. The Leader of the Opposition mentioned earlier that he agrees that costs have gone up, and that something should be done some other way. Well, I wish provision for alternatives had been made by the hon. leader.

I know it's a real problem. Eleven years ago the entire budget of the province reached \$1 billion. Today we have a budget of \$2.5 billion for one portfolio. I think that maybe we did right in 1972 when we recommended that the 4-mill hospital assessment be taken off. The province was getting richer and we were able to do it. And I think it was wrong. But because of lower energy prices and lack of markets, the dollars aren't here, and the time has come that restraint has to be put on someplace.

It was very interesting on a Saturday evening television show just a couple of weeks ago, April 2, when the chairman of Friends of Medicare appealed to the people

of Alberta to phone their M.L.A. on Easter Sunday and give him a going-over about user fees. I thought, well, maybe my Easter Sunday is going to go. I would like to advise the House that there wasn't a call on either Sunday or Monday. There were calls later. I'm really proud that the people of the Vegreville constituency, despite their feelings about user fees, observed Easter Sunday. Maybe it makes no difference to the chairman of Medicare; Easter Sunday may mean just as much or just as little as the other 364 days of the year. But I am thankful to people that they did not pester me. There wasn't a single call.

I would suggest that the minister strongly consider user fees for people seeing their doctor. No doubt there could be some alternatives, but we can see that something has to be done to reduce the costs of hospitals and medical care and, at the same time, [find] a way that the province can pay for it. The cost for hospitals and medical care in this province is far greater than in any other province, and we provide many more benefits. With the good care provided here, I think people should be healthier, not sicker, as the costs show. I hope these few remarks are helpful to the minister.

Thank you.

MR. RUSSELL: Mr. Chairman, it wasn't my intention to get up and debate the comments of each speaker. I had proposed that we follow the tradition we had in the past and I would listen to the comments on each vote. But in view of the opening remarks in this debate, I want to take a few minutes to respond to some of the things that have been said. There's a great distortion taking place, and I think it's important that that be clarified before the debate continues any further.

I made a suggestion to hon. members that they separate health care services from hospitalization programs so that everybody has a complete understanding of what is happening. I said that because of the incredible confusion out there since the user fee proposition was put forward. We get such things as the rate of utilization in medical services being quoted for hospitals; they're completely different. We get the leader of the Liberal Party, if you can believe it, asking me to resign for misleading the House because I'd given the wrong figures with respect to federal transfers. I'm talking about hospitals; he's talking about medical services. I guess that's the reason they don't have any seats in the House: they can't differentiate a simple difference like that.

But it can lead to confusion, and I say in all sincerity that many citizens have called our office and said, instead of user fees, why can't you just increase health care premiums some more? Health care premiums contribute nothing, not one cent, towards the costs of hospitals. They pay about one-third the costs of medical services, which have different rates of utilization, different budgetary aspects to them, et cetera. That's why I'm suggesting that members in the House could do the citizens of Alberta a great service if they separate the two programs. It is important to do so. The Member for Edmonton Norwood may not think so, but I believe it is, because the situation is confusing enough without our confusing it further.

The second thing I want to make very clear is that this government, and particularly myself as long as I'm minister, have no intention of leading Alberta out of Medicare or a national hospital plan, or weakening the system in any way. We have said that consistently and clearly, time and time again. I guess I should repeat it.



Under the national programs and the optional services that are available thereunder, Alberta has developed the broadest and richest program and array of medical services of any province in Canada. We're happy that we've been able to do that and, far from wanting to dismantle the system or weaken it in any way, we have consistently added to the services. Last year we added interhospital transfers by ambulance between rural and urban areas. The year before that we brought in physiotherapy programs. Those are two recent examples of enrichments to the program that many other provinces do not have, and the reason they don't have them is that their provincial budgets don't permit them to have them.

But insofar as the concept of medicare and the national hospital benefits plan, we have said in this House, in the media, and at federal/provincial conferences that we, along with all the other provinces and the federal government, support the idea of our national health plan as it now exists. We recognize it's a good one. It's one of the finest in the world, and we don't want to do anything to destroy it. But it's very expensive, and I'm appalled at the lack of understanding many citizens have with respect to what the unit costs of services are.

I believe we're upholding very well the principles outlined by the Leader of the Opposition; that is, universal accessibility. I don't know of anyone who, for economic reasons, has ever been denied service or ever will be denied service either by a doctor or by a hospital board. It's never happened, and it wouldn't be permitted. We would not allow that to happen. These are discretionary fees, proposed to be levied by boards after the patient has received the service. There's going to be an appeal system set up, and there's a large class of exemptions. It also recognizes the fact that not everybody's at the same income level. I've also mentioned, since we announced the program, that those income levels with respect to exemptions are under review because I believe they're too low.

So I want to emphasize those two points again: we support medicare and we support very strongly and defend very purposefully that universal accessibility program. It is publicly operated. I think there is no question about that principle being upheld, and it is related to a person's ability to pay.

I was intrigued by the hon. Leader of the Opposition's remarks about health care and hospital services being a right. Of course they're a right. But with every right goes a certain sense of responsibility. I don't believe anybody in this House would deny that. So while we all have a right to drive a car on the public highways in Alberta, we also have a responsibility to be aware of the laws and to watch out for our fellow drivers. Similarly, in a variety of public programs, whether social services, education, housing, or health care, certainly we have a right to those. But we also have some responsibility to use in an intelligent way the system we're all supporting, to be aware of what the costs are, and to try to make sure that the services are there for those who absolutely need them.

The hon. leader also says that the way out of this dilemma in 1983 in Alberta is to raise taxes, keep on raising taxes. I think that has one basic weakness. Since 1973 the system we have used is to give each and every autonomous hospital board in this province a provincial grant and say, here's your money; you run your hospital. Two things can happen subsequent to that. They can come through the year with an appeal and say, we don't believe you've given us enough money. And depending on the nature of their presentation, that appeal may or may not be granted. The second thing that can happen is that

they can finish the year with a deficit. If they finish with a deficit, they just say, well, that's too bad; we didn't have enough money. And the province writes a cheque and pays it off. So the boards that have been very responsible and tried to manage well look around and say, what's the point of not running at a deficit; the province picks it up anyway; it doesn't matter.

I'm afraid to say that I think that atmosphere and that feeling is increasing. We have had to say to the hospital boards, after this year we cannot come back and automatically pay any deficits you may engender. We can't do it. If you run at a deficit, you're on your own. Now in fairness, if they are on their own, where are they to get money to pay deficits if indeed they decide to run at a deficit?

Well we looked at the system that used to be in effect; that is, requisitioning the local property tax base. But there's been a great deal of opposition to that, and I believe the municipal property tax payers would find this the worst year in recent history to go back to that system. We did have that system right up until 1972.

The other sources of revenue that have been used by other provinces and other jurisdictions are obvious. You can have some kind of raffle or lottery system, and everybody from the country of Ireland to various other jurisdictions has paid for all or part of hospital services by way of lotteries. That idea has a number of weaknesses, in that the demands for lottery funds are increasing by those that now have a right to them. Secondly, we believe it's not a reliable source of income and don't like the idea of perhaps having to depend on lotteries financing a very basic right — as the hon. member referred to it — or service by way of gambling funds or risk money.

The third thing — and it's not a new idea. The hon. leader asked me why I didn't talk about it before the election. I talked about this three years ago, and he was the first one to show his rage and dismay at the idea. So the idea of a user fee is not new. To say to those who aren't using the hospital system because of chronic illness or entrapping diseases beyond their own control — and exempting also those who are in the low-income brackets — well, is it fair to ask you to pay some minimal part of your hospital services? What are we suggesting? We're suggesting that in any year no family has to pay fees amounting to more than one day's stay in the hospital. If you're an individual, you'd pay half a day's average stay.

Now what does that mean? I had an interesting conversation with a senior citizen who phoned me and was very supportive of the idea. She said, "Mr. Russell, I've just been listening to a phone-in talk show on the radio." She said, "If I was a senior citizen and was just above that minimum income level where I didn't get any relief and I had to pay, and I had the worst possible illness that kept me in the hospital for a year — I was in the hospital every day of the year — do you realize what I would have to pay?" I said, "Under our proposals, you would be asked to pay \$150." She said, "How many days are there in the year?" I said, "365". She'd worked it out ahead of time. She said, "That's 41 cents a day. You can't even buy a cup of coffee for that. What's all the fuss about?"

AN HON. MEMBER: How does your coffee taste?

MR. RUSSELL: Another proposition the hon. leader put forward was that these services should be related to the ability to pay. That's certainly what they are now. We pay premiums according to our ability to pay; we pay income tax according to our ability to pay; and the total health

care system is funded in excess of 97 per cent by those funds, whether they're federal tax points, federal cash transfers, provincial premium revenues, or provincial tax revenues. They're all based on ability to pay. So we're already paying for a system at about the 97 or 98 per cent level based on ability to pay.

We're now saying that if there are some cases in a local community, where the trustees are responsible to the residents of that community, if they want to make the choice because of financial constraints to reduce services or economize in some other way, or keep the existing level of services by bringing in a reasonable user fee, then I think that's a very reasonable proposition. Even if all the hospital boards in the province went to the maximum fee, we know it's only going to generate 2 or 3 per cent of the cost of the hospital system. So again, I wonder why this incensed outrage on the part of the hon. leader. He's certainly taken the thing completely out of context.

The other point he likes to make is that I'm proposing this to reduce abuses in the hospital system. I have never said that, and he knows I have never said that. I invite him to read *Hansard* and find one word of reference to that. I was asked outside the House by different members of the media, and later in the House: are there abuses in the hospital system? The answer to that question is yes, of course there are abuses in the hospital system, and in the health care system with respect to visiting doctors. But that is not why we're doing this. I went on to say that perhaps some of the abuses would be reduced if there was a charge for them, and commented specifically on the abuses of our emergency wards, particularly on the weekends in the major metropolitan hospitals. But nowhere have I ever said that the objective of this program is to reduce hospital abuses. The opposition and some members of the media are having a field day with this; but I have never said it.

The hon. leader also went on to express his concern that we may be in danger of breaking some kind of agreement with the federal government on this. Well today, Mr. Chairman, the 10 provincial treasurers and the Minister of Finance collectively released a position paper on established programs financing; that is, the cost-sharing aspect of this so-called agreement. I'll tell you what that so-called agreement means to the federal government. It means they can unilaterally break it or change it at will, and that is what they've done this year. They've done two things: they've unilaterally gone away from the global or block funding concept, and they have unilaterally decreased their contribution towards it. So while it's easy for them to sit in Ottawa and dictate what principles the provinces must maintain, they in their wisdom can decrease their funding while costs are soaring in the field of health care, back completely away from the block funding concept — and then attempt to rap our knuckles because we're breaking an agreement? That's just ludicrous, and the hon. leader knows better than to put a proposition like that in front of this House. And that's not the first time they've breached agreements either.

The hon. member went on at some length to say, why didn't this government have the courage to put a resolution on seat belts in front of this Legislature? I wonder if he's read Votes and Proceedings and looked at Notices of Motions, No. 218. I don't think he's had time to read it, so I'll read it to him. Mr. Purdy — that's a government member — on Tuesday next, to propose the following motion to the Assembly:

Be it resolved that the Assembly consider the desirability of legislation in Alberta to provide for the

mandatory use of seat belts in motor vehicles.

Perhaps if the hon. leader spent more time reading and less time talking, he would know that these things are happening around him.

Frankly, Mr. Chairman, I think he knows I'm just needling and kidding him, but the seat belt thing pales in significance when you look at the number of our hospital beds taken up by alcohol-related abuse. I suppose the best thing everybody in this province could do, if they wanted to cut down on the costs of our hospital system, would be to give up drinking. But I suspect it will be a long time before the citizens of any part of this country do that voluntarily.

In conclusion, I want to talk about some of the other things the member talked about. He referred to the utilization commission report, Justice Emmett Hall, and some of the things we might be doing. I think it's fair to say we are doing those things. They are all add-ons. We've found that these new programs never reduce the costs of hospital or health care services; they merely provide new programs with new price tags attached to them. But later on, as we get into the estimates, two quick examples that spring to my mind are \$14.5 million for the Youville day care hospital, which is all new money since the time that that report was written, and another \$7.2 million for the auxiliary care and day care programs at the Foothills hospital. Those are significant increases, Mr. Chairman, respectively 43 per cent and 20 per cent over the equivalent vote of last year. I mention those because they are major programs in the two metropolitan centres, and we are making an effort to do the kinds of things that Emmett Hall and the utilization committee talked about because they do make a great deal of sense.

But we are in a situation today in Canada where our federal government — and they are us collectively, and other groups like this all across the country — is facing a \$30 billion deficit. The answer in some political quarters is: never mind the expense; we'll just keep on pouring money, taxing more, printing more, and running up a deficit. We don't need to get hold of the costs of these programs. They're all free; nobody has to pay anything. It doesn't matter if people understand what it's costing.

We're looking at a considerable deficit in this province too. The hon. Minister of Energy and Natural Resources got up today and, in his ministerial statement with respect to natural gas pricing and marketing, tried to outline to the hon. members what some of the basic problems in Alberta are today. Fifty-five per cent of our revenues come from the sale of depleting natural resources. In a world that's controlled by energy ministers meeting in Vienna from time to time and having a direct effect on the income side of this province's budget, it's important that the citizens of Alberta know there are going to be times when there is not a limitless pot of money at the end of the rainbow, that if they want the continuation of these very excellent programs — and in health care they are the best in Canada — in some cases there may be an attached reasonable direct use to them. Mr. Chairman, I haven't found a lot of my constituents in opposition to that idea. Once it's explained to them, they think it's pretty reasonable.

The hon. Member for Edmonton Norwood talked about a 5 per cent increase and how that would never get the hospitals through. We recognize that. That's not what we're asking for. If you look at the front page of my estimates, the overall increase is 14.6 per cent: 9 per cent for active care hospitals, 13.5 per cent for chronic hospitals, and 12.75 per cent for nursing homes. So we're well

in excess of the 5 per cent guideline that the rest of the country is trying to manage by. That's why this is such a serious problem, why I got up and talked about it.

I just want to make one comment about private hospitals. Again, nobody has ever suggested that we go to a system of private hospitals in this province. From time to time I have been asked questions. Would you have a private management firm run one for you? I said, yes, if the right opportunity came along, of course we would. What's so new about that? Our former colleague the Minister of Social Services, Helen Hunley, saved nearly a million dollars a year by going to private firms for some of the catering and maintenance work at Deerhome in Red Deer.

We know that there may be opportunities when publicly owned hospitals, by hiring private managerial firms, may be able to effect economies. If they can, we'd certainly be interested in finding out. I want to put those facts straight, because I think there's been a certain amount of misunderstanding. I think it's important that we do understand and debate according to the same ground rules, Mr. Chairman, because there has been a lot of needless apprehension and misunderstanding about what is being suggested and what is going on in the field of health care and hospitalization in Alberta today.

[Mr. Purdy in the Chair]

MR. ZIP: Mr. Chairman, I rise to deplore the attack being made on our hon. Minister of Hospitals and Medical Care, because of his responsible attempt to help people realize that hospital services, which are free today, cost a vast amount of taxpayer dollars to provide. Even more alarming, as the hon. minister so ably pointed out, this cost is accelerating at a rate that is seriously threatening the entire fiscal health of provincial government, rich as it is.

Surely with the broad exemptions of one-third of the lower income people of Alberta, with the strict limits on user fee costs of \$300 per year per family, and \$150 for single individuals, this fee will not be onerous but will serve as a reminder to people that there is a real cost to hospital services. Smokers, it's reported in this weekend's *Herald*, are spending at least \$700 per person per year on a habit more than four times as costly as user fees to an individual.

The old socialist solution of soaking the rich is all that our opposition can suggest. I'm sorry to say that it does not provide the sense of responsibility to people using hospital services, and at the same time provides further disincentives to people who are paying taxes that are already too high. In the soak-the-rich approach, this country is slowly but surely killing the goose that lays the golden egg. We have already witnessed the result of this approach by what has been happening in Canada since 1980, and the vast amount of job-creating capital that has fled the country and the slowdown that has taken place in the economy. We're witnessing not only losses of jobs but losses of other income through empty warehouses, empty office buildings, and empty shops. These disincentive, soak-the-rich policies have brought this country to a sad state of affairs.

I well remember in the late 1960s and early 1970s that it was highly popular that social programs would make Canada attractive to business. The idea sounded good at the time, but nobody figured the cost of these services to the taxpayers. Now, with the costs of all social services accelerating at alarming rates, business is leaving the

country and the very opposite is taking place. This underscores the vital need for a sense of responsibility in government spending, including a sense of responsibility by the people of this province toward their demand for services. User fees are a way of bringing on this sense of responsibility that will hold down the expansion of government services and keep taxes down. We must restore incentives to regenerate the economy of this province and create the jobs that the unemployed of this province need.

Thank you.

MR. NOTLEY: Mr. Chairman, I'd like to take just a few moments and rebut some of the statements that have been made. But let me begin by making a generous offer to my hon. government friends across the way. I must confess that I had not had an opportunity to read Votes and Proceedings, and I note, Mr. Chairman, that you have a resolution with a good deal of merit. One of the problems I discover in reading the rules is that the Leader of the Opposition has a right to designate a motion every Thursday. Unfortunately, as I check the rules, the Leader of the Opposition is restricted to designating opposition motions unless he gets unanimous consent. I would simply indicate, Mr. Chairman, that should I get unanimous consent, which I'm now going to call for, I would be happy to designate Motion No. 218 for Thursday of this week. Perhaps I could ask for reversion to Notices of Motions and ask if I could obtain unanimous consent to so designate. I'm sure members of the government would be enthusiastic about this, and we could then debate 218 on Thursday of this week.

MR. KING: Mr. Chairman, as a matter of propriety, perhaps the hon. leader could wait until it is the House that makes the decision rather than the committee.

MR. NOTLEY: Mr. Chairman, that's certainly agreed. As we rise, I'm sure hon. members would welcome the opportunity for that designation. So when the committee rises and reports to the House, before we adjourn for the day, I'll request unanimous consent to designate your motion. I think it's certainly worth early discussion.

I also hope, Mr. Chairman, that should members of the government agree to the designation of this motion, they would also agree that it come to a vote and that we not have any party lines on it, but that it be a happy discussion in which members stand in their place, make their own observations, be accountable to their own ridings, and not have to follow the party line. [interjection] So we'll wait, hon. member, and see what happens. Try to restrain your enthusiasm for that discussion, and we'll have it as time allows.

Mr. Chairman, in the remaining time before adjournment, I'd like to deal with a number of issues the minister raised in response to my initial remarks and in response to the remarks of my colleague. The suggestion has been made by the minister that all the government is asking is for individuals to bear some responsibility for the health care system — a small responsibility, 2 or 3 per cent of the cost.

We really go back to the basic philosophy behind health care, and that is that we all have some responsibility. We all have the total responsibility, but it's a question of how we bear that responsibility. That is the issue. Do we bear that responsibility as taxpayers who recognize there is no free lunch, to use the minister's expression; that health care, regardless of how one attempts to organize it, is going to cost a good deal of money? Do we

bear that responsibility in relationship to our ability to bear it? That's the issue, and that's the question of responsibility; not whether we bear it to the tune of \$150 a year if we're an individual or \$300 if it's a family, but whether we bear it in relationship to our ability.

If the added costs of running the hospital system are going to come to that kind of average, it would mean that higher income people indeed would probably pay a good deal more. But that's the philosophy behind health care, Mr. Chairman. If we're going to talk about responsibility, let's not zero in on the people who are unfortunate enough to be sick. For the most part, we do not choose to be sick. Let us accept our responsibilities as citizens in a society that recognizes that there are costs of running these programs and we have an obligation to bear those costs in relationship to our ability.

Mr. Chairman, the second point I'd like to make is with respect to the administration of user fees. The minister outlined some of the options, and I think it's worth taking just a moment to review how we got into the situation where we are today. I remind members of the committee that the approach to 100 per cent funding of hospitals was an initiative by this government. The minister's quite right: we used to have a small mill rate assessed on property. I believe it was 4 mills under the old government. It gave hospital boards some small measure of autonomy.

I well remember the discussion in this House in 1973, when the government decided to change that approach. The now Attorney General was the Minister of Health and Social Development in 1973. He assured the House that moving to 100 per cent funding, a global budgeting approach, would be consistent with proper cost control and, at the same time, a fair and more equitable way of funding hospitals. I remember some of the discussion in 1973, and much of it revolved around the issue of autonomy and "what would happen if". The minister responded by saying there would be an appeal system. Are we to learn, 10 years after that decision in 1973, that the then minister was totally wrong, that the system of program budgeting and taking over global budgeting for hospitals is unworkable, that we have to have some access to other funds, and that all the arguments presented to the House in 1973 were not correct, or at least were seriously flawed? I remind members who want to study this to look at the arguments. Look at the arguments presented by the Official Opposition at the time and even some of the concerns I remember expressing as a member of the New Democratic Party in that debate.

Mr. Chairman, in subsequent years, having met with hospital boards around this province, and particularly with boards in my own constituency who told me in a very blunt way: look, we don't want to go back to property tax assessment, whether it's 2 mills, 4 mills, or whatever the case may be; we like the concept of global budgeting; we like the appeal procedure; we may quarrel with the government, but we like the concept. Mr. Chairman, as one member who raised questions a decade ago, I think the arguments and the representation made to me by people in the field have convinced me that the 1973 initiative is correct.

We know there are going to be problems with costs rising, but I would say to members of the committee that many of those huge cost increases were inevitable in the boom in Alberta in the 1970s and early 1980s. The major nurses award in 1980 was inevitable, Mr. Chairman, because we were in an economy where wage rates in the private sector were going sky-high. It was going to put

enormous pressure on the public sector as we tried to accommodate the catch-up in the budgeting system. But for the most part that's been done. To argue now that we're going to have to lecture hospital boards as if they are a group of juniors who can't control their affairs very well, now that we are in a totally different economy where we've got 146,000 people out of work — I say, quite frankly, that I think we are beating a dead horse. There might have been some point beating it in 1977, '78, '79, and '80, but not now. To suggest that we have to bring in this kind of program at this stage, I just fail to follow at all.

Mr. Chairman, the minister talks about alternatives. He even suggests that one of the things they might have to look at if they reject the requisition would be an Irish Sweepstakes type of raffle. I don't think they have to do that at all. I think what they have to do is make the system, which was commended to this House by the minister's predecessor in 1973, of global budgeting with an appeal system work. Without the pressures of the boom that created difficulties for every hospital administration in this province, I think that system can work, Mr. Minister. I think it can work. It seems to me that before we bring in this hospital user approach, we have a responsibility to make it work.

The minister talked at some length about this little old lady he had a chat with, who, after doing her calculations, concluded that this hospital user fee would only work out to 41 cents a day for a year. Of course it's \$20 for each day she's in hospital up to a maximum of \$150, but it would work out to 41 cents a day. But how do we know that once the principle of user fees is established, this figure of \$150 is going to last? Governments change, policies change, and we all know that ceilings change. How do we know that this figure of \$20 a day will be the figure forever, or \$10 in the emergency wards or \$300 for a family? That's the policy this year. Is that going to be the policy next year? Is that going to be the policy three years from now? Is that going to be the policy 10 years from now? We have no way of knowing. The government says in the policy statement that it will be one day's average hospital stay. But how long will it be one day? Do we know? Or will it be changed to two or three days at some point? I gather that in British Columbia, at the moment, one of the elements of the election campaign happens to be a leaked document that that government is going to come up with user fees, substantial increases — after the election, I might add.

Mr. Chairman, the fact of the matter is that before we get into the principle of user fees, one of the things the people of this province have to know is that user fees could be increased. I'm not saying they are going to be increased. I hope they wouldn't be, if the government proceeds, but we don't know. There will be no guarantee and no way of guaranteeing that they won't be increased.

Mr. Chairman, I want to take the remaining moments of the discussion this afternoon to deal with the issue of the Hospital Insurance and Diagnostic Services Act and the agreement thereunder. The minister has told us that from time to time Ottawa has breached agreements. I'm not denying that, but surely the argument is not that an Ottawa wrong will make an Edmonton right. Surely the argument is not that the moves by the federal government to impose strict guidelines on the funding for this program — and I agree with the minister; I haven't had a chance to read over the report of the provincial ministers, but I have a sneaking suspicion of what they said. I know it's been said in the House of Commons, and I agree with

the opposition in the House of Commons to imposing an arbitrary limit on the obligation that the federal government should shoulder on this important issue. I think it's totally incorrect. But just because the federal government from time to time acts in an irresponsible way does not, in my view, give any right to the province to bring in a system which may be in violation of the Act.

The copy of the telegram that I have from Madam Begin—and I specifically asked the minister to respond, and I think we have to have a pretty clear idea from the government as to what their response is. The information I have is that there are at least two elements of this user fee program which are in doubt. As long as there is some doubt about a \$250 million a year program, I think we have to stay here, and if some members don't like it, that's too bad. Our job is to try to get answers.

Mr. Chairman, the two questions that I think have to be answered in Madam Begin's telex: whether such charges imposed at the discretion of hospitals conform to the uniform terms and conditions provisions. If you recall the discussion that occurred when I began my remarks, one of the provisions of the federal agreement is that hospital services in this province must conform to uniform terms. I think the very discretionary element that government members have raised over and over again is a violation of that first provision, because if hospitals could charge different amounts — it's totally up to the hospitals; it's going to be a self-administered scheme, hospitals administering it, the users having to keep track of it — we are going to have a dog's breakfast of different user fees in the province. Mr. Chairman, that strikes me as being a very clear violation of the uniform terms that must be part of any modern health system according to the agreement. If you want to change the agreement — if the minister wants to go down, meet Madam Begin, and say, look, I want to change this agreement — fair enough. Let him go. I certainly wouldn't support that change of agreement incidentally, because I think the provisions set out are reasonable. But at least do it through the front door.

Mr. Chairman, the second aspect of this telegram is whether such charges preclude or impede reasonable access to necessary care for all eligible residents. I note that "preclude" is used, but the word "impede" is also used. I think it would be fair to say that this program would not necessarily preclude somebody, but will it impede someone? I think the argument is resounding. It is yes, it will

impede.

Mr. Chairman, I see that some of my committee colleagues might be getting hungry. I do have another 15 or 20 minutes, I'm sorry to have to advise the members.

AN HON. MEMBER: We're sorry too.

MR. NOTLEY: I'm sure that's the way it is, so given the importance of this matter and the need for the committee to rise and report progress, I beg leave to adjourn debate on this part of it.

MR. CRAWFORD: Mr. Chairman, as I move that the committee rise and report, perhaps I could say to the hon. leader that my colleague the Minister of Education suggested we deal with the proposal made when the House is in the Assembly as such. My view on it would be that it would be preferable to defer responding until tomorrow in regard to the hon. leader's proposal to get unanimous consent for designation, and simply say that in the event the government caucus members felt they wanted to do that — other House business being what it is — certainly tomorrow we would waive any limitation periods in respect to designation or anything like that.

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

[Motion carried]

[Mr. Speaker in the Chair]

MR. PURDY: Mr. Speaker, the Committee of Supply has had under consideration certain resolutions, reports progress thereon, and requests leave to sit again.

MR. SPEAKER: Having heard the report and the request for leave to sit again, do you all agree?

HON. MEMBERS: Agreed.

MR. CRAWFORD: Mr. Speaker, it's not proposed that the Assembly sit this evening. Tomorrow evening, the motion of which I gave oral notice earlier today would be the order of business.

[At 5:30 p.m., on motion, the House adjourned to Tuesday at 2:30 p.m.]

