

Legislative Assembly of Alberta

Title: **Tuesday, February 2, 1993**

2:30 p.m.

Date: 93/02/02

[Mr. Speaker in the Chair]

head: **Prayers**

MR. SPEAKER: Let us pray.

O Lord, grant us a daily awareness of the precious gift of life which You have given us.

As Members of this Legislative Assembly we dedicate our lives anew to the service of our province and our country.

Amen.

head: **Notices of Motions**

MS BARRETT: Mr. Speaker, I rise to give oral notice of a procedural motion I wish to seek consent for at the end of question period. It's brief.

Be it resolved that the Member for Edmonton-Kingsway and the Member for Calgary-Mountain View replace the Member for Edmonton-Calder and the Member for Edmonton-Mill Woods on the Standing Committee on Public Accounts.

MR. SPEAKER: The Member for Lacombe, Standing Order 40.

MR. MOORE: Thanks, Mr. Speaker. I want to give notice that I'm going to propose the following motion pursuant to Standing Order 40:

Be it resolved that in light of provincial, national, and international headline media yesterday and today regarding Canadian Hong Kong veterans the Assembly move to affirm our gratitude and unquestioned recognition of the unfailing courage, bravery, and sacrifice demonstrated by our Canadian soldiers in defence of Hong Kong in 1941.

head: **Tabling Returns and Reports**

MRS. BLACK: Mr. Speaker, it is a pleasure for me to file the report on the Electric Energy Marketing Act, which was prepared by an independent review panel last year. I'd like to stress that this report was prepared by seven independent Albertans from all regions of the province following five public meetings and the receipt of over 500 submissions. Concurrent with this filing, the government is releasing this report to all interested parties for comment.

Thank you.

MR. ISLEY: Mr. Speaker, I'm tabling today the required number of copies of the 1991-92 annual report of the Agricultural Development Corporation. Copies have been circulated to all members.

MR. ADAIR: Mr. Speaker, I beg leave to table the annual report of the Northern Alberta Development Council for the year 1991-92. I should note that the report has already been distributed earlier to the members.

MR. HYLAND: Mr. Speaker, I beg leave to table the report of the Alberta Alcohol and Drug Abuse Commission for the year '91-92.

head: **Introduction of Special Guests**

MR. SPEAKER: The Minister of Energy, followed by Calgary-McKnight.

MRS. BLACK: Thank you, Mr. Speaker. I'm very pleased to introduce to you and through you to members of the Assembly 44 very bright grade 5 and grade 6 students from the University elementary school in the fantastic riding of Calgary-Foothills. These students are accompanied by their teachers Mrs. Susan James, Ms Rae Wyshynski and volunteers Mrs. Maylin Chui, Mrs. Nancy Craig, Mrs. Beth Campbell, and Mr. Randy Blatz. They are seated in the members' gallery, and I would ask them to rise and receive the warm welcome of the Assembly.

MR. SPEAKER: Calgary-McKnight, followed by Edmonton-Jasper Place.

MRS. GAGNON: Thank you, Mr. Speaker. I'm very pleased today to introduce a number of student leaders from the Edmonton area. They are Rita Egan, VP internal, University of Alberta Graduate Students' Association; Dan Lachambre, president, and Brad Balkan, VP academic, from NAITSA; and Kim Bowlby, president, and Jeff Burgess, VP finance, from Grant MacEwan College. I ask that they rise and receive the usual warm welcome of the Assembly.

MR. McINNIS: Mr. Speaker, I would like my colleagues in the Assembly to recognize the presence in the gallery today of 25 grade 6 students from Belmead school in the district of Edmonton-Jasper Place. They're supplementing their studies with a visit to the Legislature. They're accompanied today by their teachers Ms Wisheu and Mrs. Patterson and a parent, Mrs. Schiewe. Now, I hadn't been able to meet with them today, but they were royally entertained by the Minister of Energy and the Opposition House Leader. I wonder if they could rise today to receive the warm welcome of the Assembly.

head: **Ministerial Statements
Civil Service Downsizing**

MR. KOWALSKI: Mr. Speaker, in December of 1992 our Premier indicated his goal was to streamline government operations in a careful, orderly fashion to reduce the size of the public service primarily through attrition. Today I'm announcing details of an early voluntary options program designed to accomplish that goal. This program is designed for employees to make choices around their future work. There are seven elements that give permanent employees a wide range of options to voluntarily leave their jobs or change their work arrangements.

The well-being of employees is a high priority. This early voluntary options program will offer them the flexibility to match their personal goals and family finances with one of a number of options, from leaving government to job sharing or part-time work. For employees nearing retirement the program offers them a bridge between their work and retirement life while allowing government the benefit of their years of knowledge. Other employees may wish to pursue retraining as a head start toward a new career. Although we can't rule out position abolishment in the months ahead, these voluntary options will help us downsize through attrition.

While we address our plans to balance the provincial budget, we will be sensitive to our employees' needs during this time of transition. Our streamlined government will continue to be responsive to the needs of Albertans and deliver services as efficiently as possible. Therefore, approval of an employee's request cannot be automatic. Requests will be given the fullest consideration by deputy ministers, who must review them in light of their departments' operational requirements.

There are seven program elements available to permanent employees. For those who choose to leave their government employment, three elements are available until March 31, 1993. I would like to briefly outline them. Firstly, a voluntary resignation option with incentives. This program builds on the voluntary separation allowance that we've had in place for several years. Now, in addition, we will provide a one-time \$3,500 incentive for each employee who chooses to take the voluntary separation allowance. This \$3,500 incentive can be paid as a lump sum for employees to use as they wish; for instance, retirement savings. Some employees may want to look at retraining or upgrading in pursuing their career options. For them the \$3,500 can be used as an education allowance.

Secondly, a bridge to retirement program. This is a program aimed at employees who are within two years of being eligible to retire with an unreduced pension. If the employee chooses, he or she can work half time for the Alberta government and receive a bridging payment based on the voluntary separation allowance schedule.

Thirdly, contract employment for employees outside the bargaining unit. This option is a bridge to self-employment for management and other employees not in the bargaining unit. With this option, employees may be able to enter into a fee-for-service contract with the Alberta government.

2:40

There are four other options that have been and will continue to be available to government employees, allowing them to change their work arrangements. They have been included in the package so employees can weigh all the options available to them. They include part-time work, job sharing, unpaid voluntary extended leave, and employee-funded leave.

Mr. Speaker, all government employees will receive a newsletter, a copy of which I will be tabling shortly with the Legislature, with information on the early voluntary options program. Its distribution is under way at this moment. There is also a special hot line that has been established to provide employees with further information. The hot line number is 1-800-387-3895. In Edmonton employees may call 422-3129. As well, information sessions for employees have been scheduled between February 11 and 18 in Edmonton, Calgary, Red Deer, Lethbridge, Grande Prairie, and St. Paul. Additional sessions throughout the province will be arranged as required.

I want to mention, sir, that the Alberta Union of Provincial Employees has played a significant role in negotiating many elements of the program with us. We don't know exactly how many employees will eventually elect to participate in this early voluntary options program. There are a range of options available, and each employee's personal and financial situation is unique. However, we have the benefit of past experience, including our early retirement program in 1986. Combined with our initiatives since then in reducing the size of the public service, we estimate about 4 percent of permanent employees, around 1,000, may see this as a choice for themselves.

We have streamlined and will continue to streamline our operations. Our bottom line is providing services to Albertans as effectively as possible with a lean and accountable organization that values the contribution of its employees.

Thank you, Mr. Speaker.

MR. MARTIN: Well, Mr. Speaker, in reply to the early voluntary options program, it shows very clearly that the chickens have come home to roost in Alberta. Now the provincial employees are going to pay for the waste and mismanagement from this govern-

ment through the MagCans, the NovAtels, the Myriases, the GSRs, the Pocklingtons, the Principal Groups, and so forth.

Now, if you have to downsize, Mr. Speaker, certainly the preferable way is to give people some options and some choices, but I want to say to the government that this is just the easy part of it. If you think that you're going to solve all of your deficit problems on the backs of your provincial employees – if you wiped out all the provincial employees in the province, you'd only save \$1.4 billion. That still wouldn't deal with the \$3 billion deficit. Even if you wiped 10 percent, you're only looking at \$140 million. So I don't know how many. They talked about maybe a thousand doing this – I hope that the minister perhaps could follow this up in question period – but he “can't rule out position abolishment in the months ahead.” Some of it's smoke and mirrors too. I mean, we can lay off employees, and then one of them says that they can “enter into a fee-for-service contract.” Well, we've learned in the past that that doesn't necessarily save us money. Friends of the government get some pretty lucrative contracts.

I think that what we must understand here is that this is not going to solve our deficit problems. In fact, this is the easiest part of it. This is the public relations part: we're going to be humane, we're going to be gentle, and people have options. What they clearly want to do is get through an election, Mr. Speaker, and then we'll see the real agenda dealing with education, health care, sales taxes, and the rest of it. We'll follow this up in question period.

Thank you, Mr. Speaker.

head:

Oral Question Period

Civil Service Downsizing

MR. MARTIN: Mr. Speaker, to follow up from the ministerial announcement, I want to make the case again that this is the easy part of it, public relations. We're going to allow people to have some options. Okay. The minister talks about a thousand people. I'd like to find out a little more about the real agenda here from the government. To the minister: how many provincial employees are you looking at cutting, and what sorts of moneys are we looking at?

MR. KOWALSKI: Mr. Speaker, since the middle of December a number of initiatives have occurred with respect to this matter. There's been a dramatic downsizing of the cabinet. The cabinet's been reduced from 26, 27 to 16, 17, depending on whether or not you include the Premier. Secondly, there has been a reorganization at the most senior of all levels, the deputy ministerial level, and today's announcement is one in a series of those.

This announcement today is a negotiated offering with the employees of the province of Alberta basically allowing employees, through to March 31, 1993, to exercise an option for voluntary resignation. We don't know exactly how many individuals will accept the proposal that's been offered to them, Mr. Speaker. What we will do is count those numbers, and then as we continue the preparation, the development of the budget, which will be an ongoing process over the next several months, we'll be in a better position once we know exactly how many are taking it up.

MR. MARTIN: Well, this is precisely the point with this government. They're trial balloons.

Now, surely the government must have a plan. They're offering voluntary retirement to the provincial employees. It says that he's hoping a thousand will accept it, but it also goes on to say in the

ministerial statement, "we can't rule out position abolishment in the months ahead." This is the frustration. Will the minister please tell us exactly what he means? How many positions are you looking at cutting in the months ahead?

MR. KOWALSKI: Mr. Speaker, I know that it would be very helpful to the hon. member and perhaps even others to know exactly what that number is. The difficulty that the government has at the moment is that the government is working on an assessment of the financial situation of the province. A few days ago the Provincial Treasurer did give us an update. We're currently in the process of developing a new budget, which hopefully will be before this Legislative Assembly towards the latter part of April of this year. At the moment there is no definitive figure that I can provide to the hon. member. We do know the experience that we had in 1986 as to how many individuals accepted the voluntary program that was provided at that time, and we're going to have to wait for perhaps two more months to be in a more definitive position to answer that question quite specifically.

MR. MARTIN: As I said to the Treasurer the other day and I remind the Deputy Premier: this government is not new. This government's been in power for the last number of years, and you're at the end of a four-year mandate. For them to say, "Now we're going to plan; we're going to consult," and "We don't know what's going on," is nonsense, Mr. Speaker. They should know.

My question to the Deputy Premier is simply this: isn't really what we're doing here all the nice sorts of things that are easy and saving the real agenda for after the election? Then if they're re-elected, we're going to see massive cuts to education, massive cuts to health care, and brutal cuts, if you like, to municipal services, such as the Liberal leader's advocating.

MR. KOWALSKI: Mr. Speaker, I want to thank the Leader of the Opposition for using the word "nice," because I think that in the environment of 1993, with the uncertainty in terms of jobs and the availability of jobs and security and hope that individuals have, the government has spent a great deal of time working on this particular program. I want to emphasize that it is a voluntary arrangement with options provided to our employees, whom we value very much. I accept the word "nice" because this is a humane overture that the government has made.

MR. MARTIN: I'm not talking about you being nice. Let's make sure that's clear, Mr. Speaker.

Magnesium Plant

MR. MARTIN: Mr. Speaker, the second question. It is quite ironic if we look at this. While they're contemplating civil service layoffs, they're really doing nothing to look at the real causes of our deficit, which is the waste and mismanagement, the failed business adventures of this government with its friends. A good example of this is the defunct magnesium smelter near High River, which is costing Alberta taxpayers \$33,000 for each and every day we sit there, yet this government – here's another great business deal – doesn't even own the plant or the technology. My question to the Treasurer is simply this: why is the government taking so long to secure ownership of the technology and the plant?

2:50

MR. SPARROW: Mr. Speaker, we have had a very lengthy negotiation on the technology – it's a very vital part of that plant

– and the sale of that plant. Presently it's with the two law firms trying to finalize the details of it. We hope that the technology can be in place within 30 days or more.

MR. MARTIN: Do you know that they said this a year ago? The former Treasurer and the Deputy Premier said: oh, it'll be just a matter of weeks. Meanwhile, it keeps going on; \$33,000 a day for the taxpayers, Mr. Speaker, yet the government doesn't even own the assets.

I guess my question, then, to the minister is simply this: how can the government sell MagCan when it doesn't even own the technology involved?

MR. SPARROW: Mr. Speaker, we have over 20 companies who are looking at and working with the department, looking at taking over and making that plant a very viable plant. The price of magnesium worldwide has gone up. Maybe the plant, a few years ago when it was built, was ahead of its time with reference to the marketplace, but there's a good market now for magnesium. There's a good opportunity in the future for these 20-odd companies that are looking at it. As soon as we get the technology tied to the plant so that it is a total package, it will be a good asset.

MR. MARTIN: Well, we heard that a year ago, and we'll probably hear that story five years from now the way this government moves, Mr. Speaker. The point is that the government doesn't own the technology, nor does it own the plant. I don't know how they're going to sell it, and that was the question they alluded to.

Let's look at the cost of MagCan. It's grown from a \$103 million loan guarantee to more than \$125 million because of this government's inaction. I want to ask the minister simply this: isn't it true that this is going to be a total write-off and the government's real agenda is to keep this hidden until after the election? That's what the real agenda is, Mr. Speaker.

MR. SPARROW: That's very false and misleading, Mr. Speaker. It very definitely is not. I would like to correct the hon. member: it is a loan guarantee that we have and not a loan. A portion of those interest costs are definitely being paid in order to make sure that the total package is available for sale as a package. As soon as we can, we will be working with those companies to try and come up with a very solid sale.

MR. DECORE: Mr. Speaker, my questions are to the same minister on the same subject. The loan guarantee is in fact \$102 million-plus. That's what Alberta taxpayers are on the hook for. Alberta taxpayers are paying out about \$2 million a month in interest charges, principal charges, and maintenance charges. Sadly, the plant cannot be sold because the government and the government ministers were negligent in not getting the technology rights secured. I'd like the minister to stand and tell Albertans exactly what the value of those technology rights are.

MR. SPARROW: Like any other technology it's hard to put a total value on it, but very definitely without the technology and without acquiring that technology at a cost, your plant isn't as useful unless you change its mode of operation.

Mr. Speaker, as I mentioned earlier, when it was built, the plant may have been a little ahead of its time because of magnesium prices. They have come up, and it is interesting to see the number of companies that are looking at the plant. As far as the total value, you've got to remember that we've got a loan guarantee

that's outstanding on a plant that was worth over \$200-some million as an asset when it was built.

MR. DECORE: Mr. Speaker, I'd like to take the opportunity of filing financial documents that we've obtained from freedom of information Canada filed by the Magnesium International Corporation that set out, Mr. Minister, that the Magnesium International Corporation claimed some \$25 million as infusion of intangible property. This is undoubtedly the technology amount. Now, I'd like the minister to stand and tell Albertans that this is really what's going to happen, that Albertans are going to be on the hook for yet another \$25 million over and above the amounts that they're already on the hook for. Isn't that in fact the true case?

MR. SPARROW: No, Mr. Speaker.

MR. DECORE: Mr. Speaker, in the same way that this opposition side has been thwarted in getting information on NovAtel – day after day opposition members stood and asked for information and didn't get it – we haven't received information on MagCan. I'm asking the minister today to commit, under this so-called phony-baloney new management regime, to tabling all of the documents that relate to the relationship between the provincial government and Magnesium International.

Speaker's Ruling Request for Documents

MR. SPEAKER: Thank you, hon. member. [interjection] Order. [interjection] Order. [interjection] Order, hon. minister. In *Beauchesne* the Chair is directed to direct a member who asks for such detailed information to go for a motion for a return, but if the minister wishes to respond briefly to the question . . .

Magnesium Plant (continued)

MR. SPARROW: Mr. Speaker, sir, if the member puts it in a motion for a return, in the spirit of openness and frankness we definitely will provide any information that's available and that doesn't have confidentiality problems with the other two partners that own the plant. [interjections]

Speaker's Ruling Decorum

MR. SPEAKER: Order please. [interjections] Order. [interjection] Order. Hon. Member for Westlock-Sturgeon, best you should keep quiet rather than make such comments. [interjection] Order please, Westlock-Sturgeon. The Chair, like you, is bound to follow the rules of the House; the only difference is that the Chair follows them.
Edmonton-Parkallen.

Social Assistance

MR. MAIN: Thank you, Mr. Speaker. Today my questions are for the Minister of Family and Social Services. On the front page of the paper today and in recent television newscasts and on radio talk shows we have seen and heard of an individual who lives in Edmonton using his two children to reinforce his appeal for funds by begging on street corners. A constituent called me today expressing concern about this. The man is on social assistance, and she wonders why he has to beg. She wants to know who's at fault. Is this the man's fault, or is this the government's fault? I want to know too.

MR. SPEAKER: Mr. Minister.

MR. CARDINAL: Thank you very much, Mr. Speaker. As I've advised this House before, our budget is over \$950 million under supports for independence. We have 88,000 cases to deal with in Alberta. In this particular case this family is now receiving the maximum allowed under our existing system. In addition to that, this family is also in a subsidized home with the housing authority of Edmonton. In addition to that, this individual has been offered and provided employment and career counseling. We've offered money management and budgeting assistance. I believe our department is trying our maximum to provide the service that is necessary for this person.

MR. MAIN: Well, that's all well and good, Mr. Speaker, but the minister has been talking in the month and a half or so that he's had this portfolio about reforms and changes and getting people back to work, and my constituent and I wonder: how long are Edmontonians going to have to continue to witness this sort of street-side begging from social assistance recipients?

MR. CARDINAL: Mr. Speaker, I'd just like to indicate to the House that as of today I've advised my staff that I will be meeting with this individual on site, possibly this week. In addition to that, part of my welfare reforms, as everybody knows in this House, will deal with issues of this nature. Our reforms will include better service for people that need the assistance. On the other hand, people that are employable, potentially persons like Mr. Hoy, will be provided the opportunity to get back into the work force. You can be assured of that.

MR. SPEAKER: Edmonton-Jasper Place.

Public Lands Management

MR. McINNIS: Thank you, Mr. Speaker. It's interesting that the welfare minister reads from secret files in the Legislature.

I would like to ask the minister of the environment a question about a memorandum written by the assistant deputy minister of public lands on December 21, 1992, which I now table. It states:

I understand that we are to outline a scenario to transfer the responsibility for agricultural lands to the Department of Agriculture and Rural Development. Mr. Isley requested we include: grazing leases, agriculture land, provincial grazing reserves, community pastures but not grazing permits.

The remainder of the responsibilities of the Division are to be part of Forests, Parks and Wildlife.

I think we all recognize this as Ernie's wish list, but in fact Ernie got more than he asked for on the list.

Speaker's Ruling Referring to a Member by Name

MR. SPEAKER: Thank you, hon. member. That's enough. Take your place. Thank you. When you read the person's name in a document, that's one thing. Let's just deal with the minister of agriculture. I look for a speedy question.

MR. McINNIS: I'm sorry, Mr. Speaker.

3:00 Public Lands Management (continued)

MR. McINNIS: I think we all recognize, in other words, that this is the plan that was carried forward from December. I would like to ask the Minister of Environmental Protection why the cabinet

then went and passed an order in council on January 10 supposedly transferring the whole thing to agriculture, another one on the 17th transferring it all back, and then passed off this December plan as a compromise. I mean, where do you get the gall to pull off a stunt like that?

MR. EVANS: Mr. Speaker, with respect to transfers by OC, to err is human; to forgive divine. We certainly did make an error, and that's readily admitted. Public lands were transferred back to Environmental Protection. As the member opposite is very well aware, last week we made an announcement and there was a question in this House. The point that was made – and I'm sorry if the hon. member opposite missed it – was that the lands under public lands will remain under Environmental Protection. Secondly, because Agriculture has been a very good steward of lands under agricultural disposition for many years, in fact, 60, 70 years in some examples, they will be given day-to-day responsibility for overseeing those lands that are under agricultural disposition. Most importantly, those lands will be dealt with on a multiple-use basis, recognizing that they are public lands and that the agriculture sector will be holding them as stewards for all the people of Alberta.

MR. McINNIS: Mr. Speaker, I have another document, this time a memorandum written by the deputy minister on January 5. It refers to an agreement reached on December 22, 1992, and I will table that document as well. The deputy states that the government's so-called compromise scenario D or options similar are potentially trouble for the government, betray “the previously promised public consultation” and compromise all of the principles that the minister has just espoused. Now, guess what? The deputy minister who wrote the memo has been fired, not downsized. In fact, there was only one deputy in that department. The other one went up. I would like to ask if that's what happens in Klein's Alberta: anyone who speaks out against government policies get's fired.

MR. EVANS: Mr. Speaker, the deputy minister that the member opposite is referring to was and is a very valuable employee of the government of Alberta and the Department of Environmental Protection. He continues to be a member of our team. He very correctly pointed out, hon. member, that there would have been a major concern had lands been moved over to day-to-day management of Agriculture without a multiple-use philosophy being the overriding consideration. That issue was resolved in the announcement that we made last week, because those lands will be dealt with under a multiple-use philosophy.

MR. SPEAKER: Calgary-McKnight.

Advanced Education Access

MRS. GAGNON: Thank you, Mr. Speaker. My questions today are to the minister of advanced education. A recent report from the minister's department says that by the year 2005 Alberta will need from 16,000 to 53,000 more student spaces. If we think the situation is awful now, this report shows that it'll get much worse unless something is done. My question to the minister is this: does the minister have any specific plans or know what resources are going to be required in order to meet this demand?

MR. ADY: Mr. Speaker, unquestionably the projected enrollment within our province will increase, just as it has over the past 10 years, when we've seen a 55 percent increase in enrollment. Up

until the very recent years we've been able to cope with that. As a matter of fact, last year enrollment in our province increased by 3 and a half percent, and there are some studies that are telling us that our enrollments will continue to increase. I'm moving in a direction to examine the options in a consultative manner to address that very problem and anticipate that within the not-too-distant future we'll have a plan in place to move in that direction.

MR. SPEAKER: Supplementary.

MRS. GAGNON: Thank you, Mr. Speaker. Grant MacEwan College reports that 6,000 students were denied access this past September. They indicate that space isn't really the problem at all; operating grants are. What action has the minister taken to convince his colleagues to increase operating grants to all postsecondary institutions in the province? Albertans want space for their children in our postsecondary system.

MR. ADY: Well, Mr. Speaker, let's not believe anything else other than the fact that this minister is interested in improving access for students to our postsecondary education system. Let's also remember that we do have some fiscal realities within this province. The third thing the hon. member needs to remember is that some of the numbers she uses in a cumulative manner from a variety of institutions are just that: they're cumulative. Many of the students, hon member, do apply to multiple institutions. The number she uses from Grant MacEwan College, 6,000 students: I don't doubt the fact that they had that many excess applications. However, bear in mind that many of those students also applied to other institutions. The numbers that I believe are more correct are far lower than the numbers that have been used in this House by the opposition members as those who have not been able to get access to our secondary institutions.

Chelation Therapy

MR. CHERRY: Mr. Speaker, Albertans with heart conditions have found relief from chelation treatment. Mainly they have had to go to the U.S. for treatment, and recently Albertans have been able to get the treatment in British Columbia. To the Minister of Health: if this process has been endorsed by so many Albertans, why is it not available here?

MRS. McCLELLAN: Well, Mr. Speaker, the issue of chelation therapy is not a simple one. However, I think it is important that we clarify Alberta Health's position on this. The drug EDTA is not approved by Health and Welfare Canada for use in Canada. Chelation therapy is approved for certain use in Alberta; that is, the indications. Also, the College of Physicians and Surgeons is the body that designates medical procedures in this province, not the Legislature or the minister.

MR. CHERRY: Supplementary, Mr. Speaker. Would it not be advisable to ask the College of Physicians and Surgeons to conduct a controlled pilot project here in Alberta to establish the true facts related to this process?

MRS. McCLELLAN: Mr. Speaker, it is my understanding that a group has met with the college of physicians. Also, I should say that the chairman of the Health Planning Secretariat has met with that group on my request and also that the medical adviser from Alberta Health has met with the group to discuss this. It is my understanding that in the meeting with the College of Physicians

and Surgeons the group did ask for this to be approved in a research capacity in this province.

MR. SPEAKER: Thank you.

Edmonton-Calder, followed by Edmonton-Meadowlark.

Delvee Ranch

MS MJOLSNESS: Thank you, Mr. Speaker. Albertans are extremely concerned about our social services system and wonder how it could allow vulnerable individuals to be left in a severely abusive situation. This government has in place department officials to inspect and monitor facilities such as the Delvee Ranch and the Social Care Facilities Review Committee doing assessments as well. Both recommended that Delvee be shut down, and all recommendations were ignored. While we recognize that this system needs to be strengthened, nevertheless it is there to provide safeguards, yet this government ignored all recommendations and acted on its own. I'd like to ask the Minister of Family and Social Services: how can people have faith in a system that has failed so badly?

3:10

MR. CARDINAL: Mr. Speaker, I want to advise the hon. member that I believe that with the actions I am taking and the reforms under this new management, the people of Alberta will have confidence in me as minister.

In addition to that, Mr. Speaker, we are doing our best. The orderly move at Delvee is going as planned. If the opposition was so concerned – the last time this department took action on moving clients from the Delvee Ranch, the NDP opposition complained about the inappropriate use of taxpayers' dollars. I refer hon. members to *Hansard*, page 1178, of May 14, 1987. Are they truly concerned about these cases?

MS MJOLSNESS: Well, Mr. Speaker, people have lost faith in the system. Instead of finding out the facts regarding Delvee and committing to a public investigation, this minister seems more worried about how the documents were leaked.

I'd like to ask the minister: given the track record of this particular department concealing information about abuse and death in foster homes and in day cares – a parent at Delvee whose son was burned two years ago still has no answers into that particular incident – will this minister give us a reason to have confidence in him now and commit to a public investigation into Delvee so that Albertans can receive the information they deserve?

MR. CARDINAL: Mr. Speaker, I'd just like to indicate to the House, like I indicated before to the press and to the House and to my colleagues, that I have asked the department to give me a complete review of processes that took place with that particular facility in the last 10 years or so. I indicated also that within a week or so I will have something available in relation to that.

I guess in relation to leaked documents, Mr. Speaker, I never ever once said in this House that there were documents leaked. It may be a coincidence, I guess, that some of the documents that were filed by the ND leader were signed in fact by their ND candidate from Calgary-Currie.

MR. SPEAKER: Edmonton-Meadowlark.

North West Trust Company

MR. MITCHELL: Thank you, Mr. Speaker. Softco has a loan of \$142 million which is guaranteed by the government of

Alberta, but it has assets of only \$125 million. Since this same old gang says that they're going to be new and different, when is the Treasurer going to write down this additional \$17 million loss?

MR. DINNING: Well, Mr. Speaker, just so all hon. members and Albertans across the province understand what Softco is all about, when the North West Trust Company got in trouble in 1986, the government of the day chose to assist North West Trust and Heritage trust out of the problems they got themselves into. The important thing is: why did they get into the problems? I know it's an old rhubarb, but it was primarily because of a Liberal-designed national energy policy, supported by the NDP in Ottawa as well, that said that they were going to control the oil and gas industry.

What did it do the province of Alberta? What did it do to real estate in this province? It created havoc in the economy of Alberta. It created havoc in the real estate business and real estate values, and the government of the day stepped in to assist the depositors and the taxpayers of Alberta by assisting North West Trust with the assistance of the Canada Deposit Insurance Corporation. What happened was that Softco took those marginal, soft assets that had caused North West Trust as much trouble as it did into its own account so that there could be an orderly sell-off of those assets.

Mr. Speaker, that is what is happening now, and that is spelled out in the documents that I tabled in the Assembly last week. It's very clear that that orderly sell-off, rather than a dumping that would have normally been forced by such a Liberal policy as that . . . [interjections]

MR. SPEAKER: Thank you, Provincial Treasurer. [interjections] Order please, hon. members. Let's keep it down from being a shouting match.

Edmonton-Meadowlark.

MR. MITCHELL: Same old gang using the same old, tired arguments. It was almost as though Dick Johnston was reincarnated, Mr. Speaker.

By any accounting standard Softco is financially insolvent. How can this same old, tired gang continue to claim that the government's shares in this company are somehow worth \$49 million? Isn't it about time that value was written off as well, Mr. Speaker?

MR. DINNING: Well, Mr. Speaker, what the hon. member is suggesting is that we take all of the assets that are in that holding company and dump them onto the market, dump them out there – again, that's a typical Liberal-designed policy – and therefore destroy the real estate market that exists in Alberta today. I would suggest that that would be irresponsible. If the Liberals want to promote or propose such a policy, I leave it to them to stand in this Assembly. Once again, let's make it clear what the Liberals want to do: they want to dump those assets onto the market and destroy the existing real estate values in this province today.

Gasoline Octane Ratings

MR. GOGO: Mr. Speaker, Alberta has long been a leader in Canada in consumer protection, as evidenced by recent changes in the Landlord and Tenant Act. I have a question for the hon. Provincial Treasurer in his responsibility for consumer and corporate affairs. A constituent had raised with me this whole question of the grading of gasoline, where now certain service stations are using multigrades. In view of the fact that companies

such as Petro-Canada are now listing on their pumps gasoline by octane rating, is the hon. Provincial Treasurer, while not wanting to overregulate the system, prepared to consider the requirement of octane ratings of gasoline at all service stations in Alberta?

MR. DINNING: Well, Mr. Speaker, I've just learned recently what octane levels are really all about. It's often thought that they're a measure of power, but I should inform all hon. members, in case they didn't know, as I didn't until a few days ago, that it's really a measure of a fuel's ability to prevent engine knocking or ping. [some applause] Thank you, hon. member. I knew you'd appreciate that.

Mr. Speaker, what's important is that the hon. member is suggesting that this information on octane rating would be of value to consumers, would be of value to customers at local service stations in Lethbridge-West, and I'm sure if the hon. member is suggesting that, then it must be true. But I'm surprised that the hon. member would want a minister in a Progressive Conservative government to put in place another regulation forcing commerce and enterprise and businesses to put something on their pumps when in fact it's something that hopefully their customers would demand, would expect from a good, responsible corporate citizen selling gasoline.

MR. GOGO: Mr. Speaker, It's a requirement in every one of the 50 states in the United States, which we presume to be enlightened. I understand that shortly automobile manufacturers are going to make as a condition of the warranties they issue with automobiles strict reliance on the use of fuels with certain octane ratings. In view of this, is the minister prepared to reconsider his comment about overregulation and at least look into the advisability of a requirement such as asking the Alberta Motor Association if it's not indeed a good idea?

MR. DINNING: Yes, Mr. Speaker.

MR. SPEAKER: A very carefully crafted supplementary.
Stony Plain.

3:20

Human Rights

MR. WOLOSHTYN: Thank you, Mr. Speaker. In May of 1991 a survey of the attitudes of thousands of grades 8 and 11 students was conducted. It was conducted for Alberta Education, and it was completed last October. The results of that survey were not made public by the then minister responsible for human rights. To the minister responsible for human rights currently: considering that human rights has been raised almost every day since this session opened last week, will the minister immediately release the report which her predecessor forgot about, the report called A Survey of Attitudes Toward Human Rights and Toward Self in Alberta Schools?

MRS. MIROSH: Mr. Speaker, this is a portfolio of great diversity, as you can appreciate. The Human Rights Commission is certainly involved in education and will continue to be involved in education. I have not yet seen this report, so I can't tell you when it will be made public.

MR. SPEAKER: Supplementary.

MR. WOLOSHTYN: Thank you, Mr. Speaker. I guess we will wait for the minister to look in the filing cabinets and find the report.

Till then, however, although the report wasn't officially ready for release until last fall, it was in its final stages almost a year ago. It contained concrete recommendations to the Department of Education to address the negative attitudes held by a significant minority of students. To the Minister of Education, then: since the Department of Education has had the results and recommendations of this study for almost a year, would the Minister of Education indicate to the House which recommendations the department is currently implementing?

MR. JONSON: Mr. Speaker, I'm aware of this report's existence certainly. It is an item that I've only had a brief period of time to review, but it is my intention, working with my colleague in cabinet, to release that report in the near future.

Immigrant Professionals

MR. GIBEAULT: Mr. Speaker, my questions are to the minister responsible for the Professions and Occupations Bureau. All members will know that there have been thousands of newcomers to our province from lands around the world to help build our economy along with native-born Albertans, yet many of those newcomers have not been able to participate fully in our labour force because they have not been able to get accreditation or acknowledgment for the qualifications they've earned overseas. Last year the provincial government tried to come to terms with that and gave what many people thought was a commitment to the development of a business plan for the foreign qualifications information and assessment centre. In this business plan the government gave a commitment that this centre would be open and serving Albertans by the spring of '93, right now. Yet there is, thanks to government foot-dragging, no appearance of when this is going to open and serve Albertans. So my question for the minister is simply this: how much more delay on the part of the government is there going to be before this centre is opened and serving the people of Alberta?

MR. DAY: Mr. Speaker, I'm glad the question's been raised because it's certainly been a priority with me in the short time in which I've assumed responsibility for that particular portfolio. There is work going on right now. It is the spring of '93, and I hope that while it is still the spring of '93, we'll be able to make a significant announcement that will address the very question he raised.

MR. GIBEAULT: Thousands of Albertans are waiting with anticipation. Let's get a definite date.

Let's just ask a supplementary question then, Mr. Speaker. Since we have a new - quote, unquote - government and a government which has abandoned previous financial commitments that have been made, I'd like to ask the minister whether or not he will honour the commitment that was made in this business plan for ongoing annual support from his bureau for \$160,000 a year for the new centre. Is that promise still on, or is he going to renege on that one?

MR. DAY: Well, in true misleading fashion the member opposite uses terms which are totally nonapplicable to myself. There's been no renegeing whatsoever. We are committed to seeing this go ahead. Lest I be accused of giving wrong information, actually it isn't the spring of '93 yet; I understand that's a few weeks hence.

Mr. Speaker, this is a clear commitment from this department and this minister. It is going to happen, and I look forward to

suggestions from members opposite to make that in an even more expeditious fashion.

MR. SPEAKER: I'll check the Blues about the phrase used. Thank you.

Edmonton-Gold Bar.

Smoking Regulation

MRS. HEWES: Thank you, Mr. Speaker. This week critical amendments to the Alberta chemical hazards regulations came into effect. Three of these hazardous materials named in the regulations are contained in tobacco smoke. They're benzene, carbon monoxide, and chlorine. Tobacco smoke is now defined as a class A carcinogen. My first question is to the minister responsible for occupational health and safety. Will the minister now take the obvious step and include tobacco smoke in the chemical hazards regulations?

MR. DAY: Mr. Speaker, it's definitely a matter of concern to me and of concern, I know, to millions of people, especially since we've had results released of surveys and medical testing which shows that secondhand smoke has literally lethal effects on the users thereof. Our department is looking at this aggressively; it's an area of concern. More and more workplaces are moving in this direction, and we're seeing how we can also accommodate that move.

MR. SPEAKER: Supplementary.

MRS. HEWES: Thank you, Mr. Speaker. My supplementary is to the Minister of Health. Will the Minister of Health now follow through on the promises made by the previous minister of regulating smoking in the workplace and restricting tobacco sales to minors?

MRS. McCLELLAN: Well, Mr. Speaker, certainly the area of smoking in the workplace and the effects of smoking are of concern to all of us. In the Department of Health we have really concentrated our efforts on education of our young people on the dangers of the practice of smoking and also in assisting people who are smoking to kick the habit, so to speak, through interventions that the medical fraternity has been very helpful in. Frankly it is certainly my preference that we lead in this issue through education, through prevention - we've done that through the week just passed, actually - through our public health units, information to our schools.

I should remind all members that municipalities have the authority to pass bylaws on smoking in public places under their purview in their jurisdiction. We will continue to review that. We will continue to look at the information, the study from the Environmental Protection Agency, and proceed with that in mind. Thank you.

MR. SPEAKER: West Yellowhead.

Highway 40

MR. DOYLE: Thank you, Mr. Speaker. During the recent Tory leadership race the now Premier promised that paving of Highway 40 would begin this spring. In Grande Prairie and again in Grande Cache the Premier clearly stated that this long-awaited boost to the local economy would become a certainty beginning in the spring of 1993. I'd like to ask the minister of transportation: given this clear direction from the Premier, is the minister refusing to make

good on this commitment and put Highway 40 on his priority list for this year?

MR. TRYNCHY: Well, Mr. Speaker, as I read the information that I've received, the Premier did say that he would look at it this coming year, and that's what we'll do.

MR. DOYLE: Mr. Speaker, the people of northwestern Alberta have waited a long time for this important upgrade of this very important highway. Unfortunately, the message this government is sending them is that they shouldn't expect a clear, consistent message. Instead, delays, indecisions, flip-flops seem to be the order of the day. Would the minister agree that this is an important regional priority and set the record straight by committing to starting the work this year as the Premier has already said?

MR. TRYNCHY: Mr. Speaker, if that was a request for a road, he's going about it the wrong way. I will be working with the MLA for Grande Prairie, and I'm sure that when we get ready to announce something, we'll do that.

MR. SPEAKER: Westlock-Sturgeon.

Royalties

MR. TAYLOR: Thank you, Mr. Speaker. My question today is to the Minister of Energy. The Alberta government introduced an oil royalty restructuring package last October that handles all the middle-sized and the large companies. However, to date she's overlooked entirely over 265 small companies that are looking forward to an extension on the Alberta royalty tax credit program, ARTC for short. Since the program ends next year and since, as the minister well knows, the oil patch needs a couple of years lead time on projects, can the minister tell the House now why she has not extended the ARTC?

3:30

MRS. BLACK: Mr. Speaker, the ARTC program is very important for all of our oil and gas sector, and in particular it has been most beneficial for our junior and intermediate sized companies. Back in 1989 after extensive consultation with industry, in particular SEPAC and then the IPAC group, it was determined that the program needed to be more than a year-to-year program. Therefore, in November of 1989 a five-year program was announced. That program gives a maximum relief of up to 2 and a half million dollars annually on royalties payable. The program goes until 1994. It is my intention over the next few months to have consultation with the industry groups again to determine the future of the ARTC programs.

MR. TAYLOR: Mr. Speaker, as the minister well pointed out, it's a five-year program. It was developed for considerable lead time. This government has seen fit to go ahead and adjust the middle-size and large oil companies, but the small mom-and-pop oil companies, Alberta owned oil companies, need much more than the answer: well, we're going to study it over next summer. Why can't the minister commit right now to come down within 30 days and extend the plan? A four-year extension would be just lovely.

MRS. BLACK: Mr. Speaker, I don't know where the hon. member is getting his information from, but he's dead wrong. The royalty relief program that was announced in October by this government has been very effective in increasing drilling activity amongst junior, intermediate, and senior oil companies in this

province. The results are unbelievable. When you compare last year's numbers to this year's numbers, the drilling activity has almost doubled. The program that was announced in October affected and gave relief to all oil companies because it was an adjustment to all. The implementation of phase 2 on the simplification again is a benefit to all oil companies. I can't think of a better way to add a benefit back to the industry than to simplify the filing on natural gas requirements. So I think the hon. member is a little bit out of touch with the industry. The industry is delighted with this whether they're juniors, intermediates, or majors.

head: **Motions under Standing Order 40**

MR. SPEAKER: A Standing Order 40 request. It was sponsored by Edmonton-Highlands who had to leave, but since this is a procedural matter affecting a caucus request, the Whip from that particular caucus could then sponsor this. The Member for Vegreville.

MR. FOX: Thank you, Mr. Speaker. I'd like to request unanimous consent of the members of the Assembly to consider the following motion under the provisions of Standing Order 40, and the motion has been circulated to House leaders and dealt with, as you say, as a procedural matter.

MR. SPEAKER: The request for urgency under Standing Order 40. Those willing to give assent, please say aye.

HON. MEMBERS: Aye.

MR. SPEAKER: Opposed, please say no. Carried.

Committee Membership

Moved by Mr. Fox:

Be it resolved that the Member for Edmonton-Kingsway and the Member for Calgary-Mountain View replace the Member for Edmonton-Calder and the Member for Edmonton-Mill Woods on the Standing Committee on Public Accounts.

MR. SPEAKER: May the question be put?

HON. MEMBERS: Question.

MR. SPEAKER: All those in favour of the motion, please say aye.

HON. MEMBERS: Aye.

MR. SPEAKER: Opposed, please say no. Carried unanimously. Thank you.

The Member for Lacombe, Standing Order 40 request.

Hong Kong Veterans

MR. MOORE: Thank you, Mr. Speaker. I stand here with pride today to request recognition of the unflinching courage and bravery and sacrifice demonstrated by our Canadian soldiers in defence of Hong Kong in 1941. In December of 1941 we all stood proud because at that time two battalions of Canadian soldiers, the Winnipeg Grenadiers and the Royal Rifles of Canada, entered into battle with overwhelming odds against them.

We that were there that day and lived through those times knew that those men went in ill equipped in the early parts of the war.

They went in there equipped with rifles. No machine guns, no mortars, no heavy equipment: they were still coming from Canada; they hadn't been manufactured. They arrived there on November 17. Twenty-two days later they went into battle with rifles and a limited amount of ammunition, so many per man, and they faced a fully equipped Japanese army. They were out-gunned, outmanned.

Today, all these years later, to find out that one individual, Maj. Gen. Maltby, the commander of that 11,000-man force in Hong Kong, made statements regarding the bravery of Canadian troops is unthinkable, because it is not based on fact. I can only assume, Mr. Speaker, knowing and having served under British command, that they're very proud, and he wasn't willing to accept the inevitable. When he went into battle in Hong Kong with his force of 11,000, it was inevitable that they were going to be defeated. They were isolated on an island under attack by an overwhelming number of Japanese. He should have accepted it at that and said: "We fought. We lost the battle, but we're accounted for, and we stood up to the last." No; I can only assume that he needed a scapegoat. I will not stand here today and allow him to make Canadians the scapegoats.

MR. SPEAKER: For just half a moment, hon. member. I hesitate to interrupt. The question is a request of urgency, I think well-spoken comments. May I put the question as for urgency so the matter may be proceeded with?

HON. MEMBERS: Agreed.

MR. SPEAKER: Opposed? Carried unanimously. Please continue, the Member for Lacombe.

Moved by Mr. Moore:

Be it resolved that in light of provincial, national, and international headline media yesterday and today regarding Canadian Hong Kong veterans the Assembly move to affirm our gratitude and unquestioned recognition of the unflinching courage, bravery, and sacrifice demonstrated by our Canadian soldiers in defence of Hong Kong in 1941.

MR. MOORE: In those days, Mr. Speaker, we only need to think of what actually happened. Nineteen hundred and seventy-five Canadians out of a force of 11,000 troops: 550 never returned; over a quarter of them never returned. They didn't die as cowards. They stayed in there poorly equipped, and they faced the enemy, and they died. That is bravery. There isn't anyone in this Assembly or anywhere that can't say that isn't bravery. That's beyond the call of duty. They gave the supreme sacrifice.

One thinks about bravery because this is where Canadians are being questioned. History has recorded that there was only one Victoria Cross awarded in the Hong Kong campaign, and I'd like to underline that. Anybody who is not familiar with the Victoria Cross, it's the highest honour to be given for bravery and action beyond the call of duty. Only one was given out of the 11,000-man force. It went to a Canadian by the name of Maj. John Osborn. He was among the 550 that didn't return. To say that he was not brave, to say that those 550 were not brave, to say those 1,975 were not brave should not be left unchallenged.

All I can say today is that there was one individual that didn't have the intestinal fortitude to stand up and take the blame as commander. He had to find somebody else. Believe you me, Mr. Speaker, he is not going to blame the Canadians, because our record is in history. From the Boer War, the First World War,

the Second World War, Korea, and Hong Kong our record is there, and we have demonstrated it.

So today, Mr. Speaker, I stand just as proudly as I did in 1941. I was proud of them then, I'm proud of them today, and I ask the support of everyone in this Assembly for the sacrifice these people made in the name of freedom, which we enjoy right here in this Legislature.

3:40

MR. DAY: Mr. Speaker, I would add only the briefest of comments to the heartfelt eloquence of the Member for Lacombe and certainly with all the respect that is so due to one of our own members who actually has served throughout one of these times.

The reason this is near and dear to my own heart is that my own grandfather was one of the members of that Hong Kong force, one of the Canadian troops who for 18 days under absolutely hopelessly overwhelming odds defended the civilian population of Hong Kong, and finally under the severest of losses and fatigue they were overwhelmed and captured. He spent four years as a prisoner of war. During the time that he was a prisoner of war, as with the other Canadians who were, his wife, who would be my grandmother, my mother, her brothers and sisters were praying for his return. Their prayers were answered, Mr. Speaker, for only the briefest of time, as he did return, air-racked out of the prisoner of war camp, to die in a Canadian hospital as a result of the torture.

To think today that grandfathers and fathers and brothers and cousins and friends, under the most amazing display of fortitude not just for the time there but in the prisoner of war camp, are having their reputations challenged in this way is now our opportunity to rush to their defence even as they rushed to the defence of many others. Canadians, as the Member for Lacombe has said so eloquently, have established a record of courage, not a record of being aggressors but a record of being defenders, and that is why we are found in the peacekeeping missions that always take place after every international conflict.

I share the feelings of the hon. Member for Lacombe and also as each member has indicated here in this House to acknowledge this fact today.

MR. DECORE: Mr. Speaker, on behalf of the Liberal caucus I rise to support this motion and acknowledge and accept the comments that the hon. Member for Lacombe has made.

When I was mayor of Edmonton, I had the delight and the privilege of hosting, welcoming to Edmonton the veterans of the Hong Kong campaign. During the course of that experience – meeting them, greeting them, being with them – I learned of the unbelievable circumstances that they had to face as Canadians in a theatre of war who were ill prepared to deal with the invasion of the Japanese. So statements that the hon. member has made are correct and true and need to be placed on the record.

What also needs to be placed on the record is the fact that these veterans had to undergo the most cruel of treatment. I don't know of very many places that had prisoners of war that subjected those prisoners of war to the kind of inhumane treatment that these Canadians had to be subjected to. That needs to be put on the record.

What needs to be put on the record as well is the fact that a little country of just a few million people during the Second World War put forward the third largest navy of that whole war – that's no mean feat – that Canadians defended the transportation of goods and people across the north Atlantic, that we fought in almost every theatre of war with great distinction. This caucus and this member do not accept some trifling comments made by some trifling person.

Thank you, Mr. Speaker.

MR. SPEAKER: The Member for Vegreville.

MR. FOX: Thank you. Mr. Speaker, I wouldn't pretend to stand in my place and be able to duplicate the eloquence and the compassion with which the Member for Lacombe spoke or the direct personal experience brought to the Assembly by the hon. Minister of Labour, indeed the comments of the hon. leader of the Liberal party. I just want to add the support of the Official Opposition caucus and thank the Member for Lacombe for bringing this issue forward in the Assembly at this time.

MR. HORSMAN: Mr. Speaker, I want to compliment the Member for Lacombe for having risen to the defence of people who served Canada, the allied forces, and the world in a time of desperate struggle for freedom. I will be brief in my comments in support of this motion. I can say as a son of two veterans – both my parents volunteered to serve this country of ours in the armed forces in the Second World War – and as a child who grew up in the care of my grandparents because of the fact that my parents were both away from home, my father overseas and my mother serving in Canada, that it is with a great deal of concern that I see revision of history occurring in the world today.

I can add to the thoughts that have been already expressed my grave concern that the revisionists are also attacking the memory of the greatest leader of the free world in that time, the Rt. Hon. Sir Winston Churchill. We are seeing these things happening today, and I find it very regrettable, because thousands of men and women still alive, living in Canada and throughout the world – their efforts are being demeaned, and it is very upsetting to me as an Albertan and as a Canadian.

I also want to say that I've had personal experience with constituents who served in Hong Kong and the stories that they have told me about their experiences there. Certainly they must today feel very saddened to have their contribution maligned in the way it has been today.

I also want to just add this final note. My first visit to Hong Kong as the Minister of Federal and Intergovernmental Affairs occurred at the same time as a wreath laying ceremony which is held annually at the memorial for the Commonwealth dead. I was asked to lay the wreath on behalf of Canada. I can tell you this: while some have forgotten, the people of Hong Kong have not forgotten. The ceremony, while not widely advertised, was attended by hundreds of grateful residents of Hong Kong. It was a moving experience as I stepped forward on behalf of Canadians to lay that honorary wreath on that occasion. It's a moment that I have never forgotten, and I thought it would be appropriate for me to share it with you today.

MR. GOGO: Mr. Speaker, I'm very touched by the eloquence and sincerity of the hon. Member for Lacombe in an area that many people, frankly, don't often wish to speak to.

It's been often said that a man has to leave home to be a hero, and here we have a case where many men from the Winnipeg Grenadiers and the Royal Rifles of Montreal left home to go across the oceans in the name of freedom, as the Member for Lacombe has stated so eloquently, so ill prepared and ill equipped, to have 50-odd years later some general having been commander of the British forces of 11,000 strong in 1941 – and I don't wish to criticize the general, because I understand that when you reach an age of that category, then probably just the whole question of chronology perhaps says that you haven't got it all in your head when you state certain things. I understand it was the memoirs that prompted this.

It's not often, Mr. Speaker, that people in their ignorance in raising an issue are not mindful of other things that will come up. I'm reminded only recently of the National Film Board publication of *The Valour and the Horror*, where people attempted to remake history, as mentioned by the Member for Medicine Hat, the film *Billy Bishop Goes to War*, which became a laugh on many stages across this country as people tried with taxpayers' funds to belittle historic acts of Canadians.

3:50

I take no comfort in raising these issues. There are not many people left. Sgt. Maj. Osborn didn't get a lot of credit in this country, although they named a bridge for him in Winnipeg and a British military barracks in Hong Kong. He didn't get much credit, Mr. Speaker, and Victoria Crosses are few and far between. In his name and in his memory I don't think we as Canadians can indeed be very proud not to have stood firm on the request of the some 200 remaining Hong Kong veterans who recently simply asked for some compensation for the deprivation and the punishment and the torture afforded them by the Japanese people in the form of their soldiers and were turned down and did not get a sympathetic ear even from the government of Canada, which only three years ago found it in its heart to award all Japanese from the west coast who were transported during the war the sum of \$22,000, some of it posthumously.

Mr. Speaker, I don't like to get emotional about items like this, but I'm so grateful that the Member for Lacombe has brought this forward to cause each and every one of us to rethink the role we play as leaders of citizens of Canada in seeing that the good names of people who've served our nation do not go down in error or in vain. At the same time, I simply close by saying that we have now some 2,000 Canadians serving us in a peacekeeping way around the world, and they're doing it as well, I think, in some way in the memory of those who served: our veterans of Hong Kong.

Thank you, Mr. Speaker.

MR. SPEAKER: Lloydminster.

MR. CHERRY: Thank you, Mr. Speaker. First of all, I want to congratulate the Member for Lacombe in bringing this motion forward, and also I want to congratulate the people that have spoken today before me.

Mr. Speaker, 1941 was 52 years ago, I believe. You know, when you look back, for some of us who are that old – and I was a boy at that time, so I didn't realize much of it myself – reading different articles and books today, they were quite dark days in this world, dark days for families whose sons and daughters had gone away to war. The Hong Kong issue was one that Canada felt was important enough that they would be able to also send troops.

The two infantry regiments that did go, the Royal Rifles of Canada and the Grenadier Guards, without a doubt in my mind, firstly, had possibly never seen battle before, and as my friend has said, they were poorly equipped. I think those two items that they had to go along with were two things that were against them to start with. Regardless they went forward and did their job as best possible: best possible because in those days there wasn't the advanced equipment that there is today. If you watched the desert war here a year ago, you would see the type of equipment we have today. Well, if you went back 52 years, ladies and gentlemen, you would see none of that. If you did see some of it, it was very, very poor equipment to start with in today's world. The Japanese army, of course, as we know, in those days was a force to be reckoned with: manpower meant nothing to them,

power was what they claimed their major source. So these soldiers that met them were very, very brave men that we had sent over to Hong Kong to guard that area.

Mr. Speaker, when you look back on it – and you know, it's so easy to say that something didn't happen or something wasn't right in those days or something went wrong. Surely to goodness I think history will say that Canadian troops were some of the finest troops that fought anywhere in the world. I know from my own experience and the Member for Lethbridge-West and my good friend the Member for Lacombe that it's a sad day when a statement comes out like that about so many people that gave up their lives, the 550 people.

What I want to say in closing is that no matter what is said, history has proven that Canadians are first-rate soldiers. They always will be. As the member for Lethbridge said, there are some 2,000 in peacekeeping today, and when the United Nations calls for troops, I might say that the first troops that they ask for are Canadians. Mr. Speaker, I'm very, very proud of our Canadian men and women that have fought, that are in the services today, and all I can give them is a real pat on the back and say thank you for the job that you are doing and have done.

Thank you.

MR. SPEAKER: West Yellowhead.

MR. DOYLE: Thank you, Mr. Speaker. On behalf of our caucus I want to also congratulate the Member for Lacombe on his motion to recognize these great soldiers who served so well on behalf of those who were perhaps of a younger age and could not do it.

I want to also express my concern at the hardship that has been felt, Mr. Speaker, by the Royal Canadian Legion. Those great people who came back from the services, built legions, and helped the youth and others throughout this country are terribly distressed by the words of this person who died and left these false statements in his will.

I, too, share the views of the Member for Red Deer-North because my father was a prisoner of war.

So on behalf of our caucus, Mr. Speaker, I would again like to congratulate the member.

MR. SPEAKER: Call for the question?

HON. MEMBERS: Question.

MR. SPEAKER: All those in favour of the motion, please say aye.

HON. MEMBERS: Aye.

MR. SPEAKER: Opposed, please say no. Let the record show that the motion passed unanimously.

Thank you, hon. members, for your level of debate.

We have a request for the introduction of guests. Might we revert to that order of business?

HON. MEMBERS: Agreed.

MR. SPEAKER: Opposed? Carried. Thank you.

head: **Introduction of Special Guests**
(reversion)

MR. SPEAKER: Redwater-Andrew.

MR. ZARUSKY: Thank you, Mr. Speaker. It's a pleasure for me today to introduce some people from the county of Thorhild, from the Thorhild lodge foundation. There's a group of them here today meeting with government on issues in the area. Two of them that I know are up there in the members' gallery are Mr. Mike Senych, chairman of the board and also a former member of this Assembly in the 1960s, and Jerry Bauer, a councillor with the county of Thorhild, and others that accompany them. I'd ask them to rise and receive the warm welcome of the Assembly.

MR. SPEAKER: Additional introductions? Edmonton-Strathcona?

MR. CHIVERS: I have none.

MR. SPEAKER: Sorry. Another item was passed to me in error then.

head: **Orders of the Day**

4:00

head: **Written Questions**

MR. DAY: Mr. Speaker, I move that the written questions appearing on the Order Paper stand and retain their places, except for 379.

[Motion carried]

Stabilization Ponds

379. Mr. Doyle asked the government the following question:
How many single-cell wastewater stabilization ponds are licensed to operate in Alberta pursuant to section 4 of the Clean Water Act as of January 25, 1993?

MR. DAY: Mr. Speaker, the government will accept Question 379.

head: **Motions for Returns**

MR. DAY: Mr. Speaker, I move that the motions for returns appearing on the Order Paper stand and retain their places, except for 204, 271, and 273.

[Motion carried]

Hotel Room Tax

204. Mr. Doyle moved that an order of the Assembly do issue for a return showing the total amount of provincial hotel room tax collected in the 1990-91 fiscal year from all hotels and motels located in each municipality.

MR. SPEAKER: West Yellowhead.

MR. DOYLE: Thank you, Mr. Speaker. Question 204: I've had information from the hon. Treasurer that he'll be making an amendment.

Mr. Speaker, I'd requested some time ago, based on phone calls and people I've met with within my municipalities in regards to the hotel tax paid by hotels and motels in each municipality – their concerns or questions were the possibility of that money being returned to a private committee within the municipalities and the distribution throughout those municipalities for recreation and other facilities decided on. I put this request to gather information to see how much taxes are collected by each individual motel and

put in the Provincial Treasury, and I accept the amendment that will be put forward by the Treasurer.

MR. SPEAKER: I hope the House will accept it too.
Provincial Treasurer.

MR. DINNING: Mr. Speaker, I didn't want the hon. member to scoop me too early, but I thought I would rise and move that we delete from the hon. member's motion the word "municipality" and replace it with the two words "tourist zone." Copies of the amendment I believe have been circulated.

The reason why I'm doing this, Mr. Speaker, is that the information regarding hotel taxes that's remitted by a single hotel is really something that is commercially confidential and reflects that hotel's room revenue. I don't think the hon. member is seeking that kind of detailed information, so what we're proposing is that the information be provided on the basis of the 14 tourist zones established and accepted across the province. On that basis and with that amendment I would recommend that members of the Assembly accept the motion.

MR. SPEAKER: Thank you.
Speaking to the amendment, West-Yellowhead.

MR. DOYLE: Yes, to the amendment, Mr. Speaker. I appreciate the Treasurer bringing this to my attention. I do see that many municipalities perhaps only have one hotel or one motel, and I appreciate his bringing this amendment forward.

[Motion on amendment carried]

MR. SPEAKER: Any other comments with respect to the main motion for a return as amended?

MR. BRUSEKER: Mr. Speaker, speaking briefly to the motion as amended as brought forward by the Member for West Yellowhead, just a comment to the government that in the spirit of an open and new government style perhaps this increased reporting to the Legislature might be continued in the future on this particular issue.

[Motion as amended carried]

Fil Fraser

271. On behalf of Mr. Decore, Mr. Wickman moved that an order of the Assembly do issue for a return showing

- (1) details of the services provided for the payment of \$16,279 to Fil Inc. by the Department of Labour in 1989-90, and
- (2) details of the services provided for the payment of \$75,580 to Fil Fraser by the Department of Labour in 1989-90.

MR. DAY: Mr. Speaker, I accept Motion for a Return 271.

MR. SPEAKER: Thank you. That's the intention of the government with respect to this. Does the member for Edmonton-Whitemud now wish to carry on?

MR. WICKMAN: I appreciate the member's volunteering to bring the information forward, and I look forward with great pleasure to analyzing it. Thank you.

MR. FOX: Who's going to help you do that? [interjections]

MR. SPEAKER: Order please. Discussion and debate have been completed, I understand.

[Motion carried]

Krawitz and MacDonald

273. On behalf of Mr. Decore, Mr. Wickman moved that an order of the Assembly do issue for a return showing details of the payment of \$46,608 to Krawitz and MacDonald by the Department of the Environment during 1989-90.

MR. EVANS: Mr. Chairman . . .

MR. SPEAKER: The Speaker is only too willing to now recognize the Minister of Environmental Protection.

MR. EVANS: Thank you very much, Mr. Speaker. I'm very happy to accept this question on behalf of the government. Quite frankly, when I reviewed the question initially, I thought perhaps I would consider proposing an amendment to the question just for clarification, because I think what the hon. member intended by the question was the purpose for which a payment had been made. However, I think that is implied in the motion, and I would certainly like to advise the House of the purpose for which this payment was made to Krawitz and MacDonald by the Department of the Environment.

MR. SPEAKER: Further discussion with respect to Motion for a Return 273?

Summation then, Edmonton-Whitemud, on behalf of the member.

MR. WICKMAN: Thank you, Mr. Speaker. I appreciate the information that will be forthcoming. Again, I will look forward to analyzing it, and if I require further assistance, I'll call upon the hon. Member for Vegreville who has so kindly volunteered to assist us.

MR. FOX: I don't think I have the patience.

HON. MEMBERS: Question.

[Motion carried]

head: **Motions Other than Government Motions**

Agricultural Marketing

224. Moved by Mr. Fox:

Be it resolved that the Legislative Assembly recognize the benefits to consumers and producers of paying farmers fairly for what they produce and support the efforts of Alberta's dairy, egg, and poultry producers to maintain their supply management marketing systems by clarifying and strengthening Article 11 of the General Agreement on Tariffs and Trade.

MR. FOX: Mr. Speaker, it's my pleasure to bring forward for consideration of the members of the Assembly today Motion 224. It was put on the Order Paper by me on behalf of the Official Opposition New Democrat caucus last year. I submit it is an issue that is every bit as timely and every bit as important today as it

was 12 months ago. Indeed, it's an issue that has not been resolved to the satisfaction of farmers in Canada. It's an issue that is pending, outstanding at the international level, and one that we should all consider very carefully.

[Mr. Deputy Speaker in the Chair]

The motion begins by saying, "Be it resolved that the Legislative Assembly recognize the benefits to consumers and producers of paying farmers fairly." Now, I know for the Conservative mind that is a very radical suggestion. In fact, when I stand up in different parts of the province, and I have the same message regardless of which part of the province I travel to, be it north, south, east, west . . .

MR. DINNING: That's a novel approach.

MR. FOX: It's not like some other caucuses, hon. Provincial Treasurer, without making any allusions.

Anyway, the message is the same. I think it's important for me as the MLA for Vegreville, which is primarily an agricultural constituency, and as the agriculture spokesperson for the Official Opposition to try and stick up for farmers, their families, and the communities they support wherever I go in Alberta. Whether that means carrying the message to some farm groups in certain parts of the province that aren't supportive of the notion that farmers ought to be paid fairly or whether I'm talking to groups of consumers or educators or whatever in urban areas, the message is the same: that we need to recognize the benefits to consumers and producers of paying farmers fairly for what they produce.

4:10

In fact, Mr. Speaker, if I could digress just momentarily, that is the very central principle in New Democrat agriculture policy. It forms the basis on which all of our agricultural policy is built: that farmers need to be paid fairly for what they produce. Now, why is that a radical suggestion? Why is that point of view opposed in so many quarters in this Legislature, indeed in this province and in this country? Why is that? Why would anyone object to farmers seeking to be paid fairly for what they produce? It's beyond me to really comprehend the opposition to that concept, but it is fairly widespread, and that's why I soldier on and try and convince people of the broad, long-term benefits of paying producers fairly.

We could make simple economic arguments about the need to pay producers fairly for what they produce. If you don't pay them fairly, then they won't be able to produce. They won't be in business if they don't get enough money to stay in operation, to buy the things that they need to produce their crops or crop products or livestock. They won't be able to make payments to the bank. Indeed, they won't be able to buy anything in the towns and villages that are nearby, Mr. Speaker. So we should recognize that it's in everybody's best interest to be paying farmers fairly for what they produce.

The money can come from one of two places, I suppose, Mr. Speaker. The Conservative/Liberal tradition over the years has been to try and seek to pay farmers through government subsidy, to try and make up for what they don't receive in the marketplace with money from the taxpayer. I recognize that until we have a system that does pay farmers fairly for what they produce, we need to maintain some of the programs that have been developed over the years to either lower the cost of inputs on the one hand or top up the price of commodities on the other, but that doesn't mean that it's the best way to do things. In fact, I think it's a

very bad way of doing things. I believe producers, wherever they are in the province, are hardworking people who contribute substantially to society, and they deserve to have their efforts recognized by paying them fairly. I believe that if we work hard, we can continue to refine existing systems and develop new systems that accomplish that objective in the marketplace: paying them fairly for what they produce.

Well, what are the benefits to consumers, Mr. Speaker? Some would say that consumers are interested in one thing and one thing only, and that is buying food as cheaply as they possibly can. They don't recognize the source. They don't care where it comes from as long as when they put it in the cart at the grocery store, the bottom line is the economic bottom line. They want the cheapest food that they can possibly buy. I suppose some people have that position, and more and more consumers because of the very poor economic conditions created by Conservative and Liberal economic policy are forced into that consideration.

I would suggest to hon. members of the Assembly that that's a very shortsighted view. I would submit that consumers in Canada, consumers in Alberta have benefited substantially over the years as a result of the operation of supply management systems in Canada that operate to pay producers fairly for the eggs, chicken, turkey, and milk that they produce. What are consumers interested in? They're interested in ready, guaranteed access to wholesome, quality food at a reasonable price that doesn't change much and that is generally fair. Well, has the system accomplished that over the years? Yes, it has, Mr. Speaker. It has in spades. It has meant that for those commodities that I mentioned, whereas in the past there were boom and bust cycles in pricing that corresponded with surpluses and shortages in production cycles. Consumers in the past were not able to enjoy guaranteed access to wholesome, nutritious food at reasonable and stable prices, but they are now because of the operation of these supply management systems. I submit that that's a benefit to them.

That's in the short term, but in the long term I think anyone who considers the issue for awhile should recognize that it's in the best long-term interests of consumers to pay farmers fairly for what they produce in Canada, because if we don't, then we won't have many farmers in Canada. We will increasingly rely on external sources for basic foodstuffs in Canada. Though there may be situations where consumers can buy chicken from the United States that's dumped on the market through different agreements, they may feel that they can get eggs cheaper from time to time in the United States, or maybe milk would be cheaper if we got rid of all of our producers and brought it in from the United States, that's a very shortsighted view because in a situation like that our consumers become vulnerable. Indeed, we as a nation become vulnerable, Mr. Speaker, because we would become increasingly more reliant on exports for basic foodstuffs, and our consumers could be in a situation where they become like farmers are in most sectors today: price takers. You just pay whatever you have to pay. Don't think that we would enjoy a low-priced product from the United States if we didn't have producers in Canada. If production's wiped out in Canada over time because of Conservative agricultural policy, we would have a situation where consumers would be hosed in the long term. They'd have to pay through the nose for that product. The supply would be intermittent and the quality certainly very questionable if that is the situation in the future.

So I think we have to recognize that be it in the short, medium, or long term, it's in the best interests of consumers in Canada to pay farmers fairly for what they produce. In fact, I would take that one step further, Mr. Speaker. I tried to argue when we were dealing with the Canadian Constitution, the Charlottetown accord

that we should try and figure out some way of including in our Constitution the issue of food security. I think it's absolutely vital that countries maintain their ability to feed themselves to the greatest degree possible, because if they give up that responsibility because of poor policy or poor management, if they give up the ability to feed themselves, then they lose their sovereignty as a nation over time. They become increasingly reliant on decisions made outside their nations.

I'll tell my hon. friend the Member for Lethbridge-East a little story. Who was that bad actor that was President of the United States for a few years? Ronald Reagan. When he was sworn in as President some time ago, I remember seeing his secretary of state for agriculture, if that's what they called the fellow. Not an elected representative. In that system they have in the United States, they appoint people to positions; they don't elect them. Anyway, this was an appointed person. I believe his name was Robert Block. Or was it John Block? Let the record show it's either John or Robert Block. Anyway, this fellow was being interviewed. [interjections] J.R. Block. No, no. I don't want to confuse the issue.

Mr. Speaker, this gentleman was being interviewed on television, and for me it was a very powerful moment, a very motivating experience, because when asked what his goal was going to be as the person responsible for agricultural policy in the United States, he actually had the unmitigated gall to say on television that it would be his objective to try and make as many countries in the world as possible food dependent on the United States so that they could have greater influence on their foreign policy. It was the most outlandish, inhumane statement that I've ever heard a politician or a quasi politician, indeed any person with substantial responsibility, make. Wanting to make other countries food dependent on the United States so they could control their foreign policy: it's outrageous. It instilled in me an even greater determination to fight for the ability of Canadian producers, indeed all Canadians, to maintain some sense of independence and sovereignty with respect to our food security so we didn't abdicate our responsibility to other people. So it's very important, I think, that we as people with responsibility, we as hon. members argue very strongly that it's in our best interests not only as individual producers and consumers but as a sovereign nation to try and maintain some control over our domestic food production.

4:20

Indeed, I'll take it one step further. I would argue that our negotiators – and I hesitate to call them that because they usually cave in when they go over to GATT negotiations – argue strenuously in the international arena for countries to maintain control over their domestic food policy. It's not only good for us, but it's good for other nations as well. And we do that in the broader context of trying to eliminate the ruinous export subsidies that some nations use to steal markets and undermine prices in the international community. I believe we can do that. I believe we can make those arguments. I believe that because there has been no resolution of these issues at GATT even though they were promised well over a year ago, we could find allies in that kind of an argument. We would be doing the world and the consumers of the world a favour by arguing that it ought to be a nation's right to maintain some sense of control over their domestic food policy so that they do not lose, over time or through international pressure or economic coercion, the ability to sustain themselves, so they do not become unduly dependent on the whims of other communities to provide something as basic as their foodstuffs.

MR. JOHNSTON: What price supply management?

MR. FOX: The hon. Member for Lethbridge-East asks, "What price supply management?" I regret that I have so little time and so many arguments to advance, Mr. Speaker. I have but one speech to give to the Legislature today. Perhaps hon. members will agree by unanimous consent to extend my speaking time.

There's a little booklet here put out by the Canadian Egg Marketing Agency on the myths and realities of supply management. First myth: "Thanks to marketing boards and supply management, Canadians are paying far too much for food." Is that true, Mr. Speaker? Is it true that Canadians are paying too much for food? Well, the Conservatives would have them think so. I remember the Minister of Agriculture telling consumers that they were overcharged by \$2.6 billion a year because of supply management. Can you imagine anything more irresponsible than a Minister of Agriculture, who's supposed to be advocating for farmers, going out and telling the consumers that they're paying too much for food? Farmers are going broke. Communities are drying up and blowing away. In a nation where 12 percent of disposable income is spent on food, we've got a Minister of Agriculture and one of his cronies over there trying to tell people that they spend too much on food. They don't spend enough on food.

They could easily increase substantially the amounts paid to farmers for basic foodstuffs. If it was monitored carefully in the marketplace, it would not substantially or even marginally increase the overall cost of food to producers. So I find that an offensive argument and indeed so did hundreds of producers who attended a meeting in Edmonton last January at the Edmonton Inn. There were representatives from the Turkey Growers' Marketing Board, the Hatching Egg Marketing Board, the egg producers, the chicken producers, the milk producers. They were all there in large numbers to tackle that Minister of Agriculture and his government and their irresponsible position on supply management.

He should be out there telling people how farmers subsidize the economy of Canada: people producing generally at less than the cost of production, people whose family members and who themselves go out and work at other jobs so they can plow the money back into the farm to keep it working, people whose asset base is steadily eroding, people who defer investment time and time again because they can't afford to fix or upgrade or replace machinery. Those are the stories that should be told - how farmers subsidize consumers in this country, how farmers subsidize the entire economy - rather than suggesting that ubiquitous claptrap that the Member for Lethbridge-East advances about producers paying too much.

I've got a lot more myths that I'll expose if I get a chance here, but I want to talk briefly about the negotiations in the international arena because we're arguing in this motion that we

support the efforts of Alberta's dairy, egg, and poultry producers to maintain their supply management marketing systems by clarifying and strengthening Article 11 of the General Agreement on Tariffs and Trade.

Basically

Article XI safeguards the right of nations to manage the supply and marketing of agricultural commodities within their own borders.

Current negotiations threaten to replace Article XI with something the Tories magically refer to as "tariffication"

a system which would turn all current import quotas on agricultural products into tariffs, and [they] would be designed to decrease and disappear over time.

All producers without exception agree that tariffication would lead to the eventual destruction of the industries in Canada that provide all these benefits to consumers, and that's why we as the New Democrat Official Opposition - heaven only knows what the Liberal's position on this is today, but presumably somebody will

tell us - argue that Article 11 should be clarified and strengthened on behalf of supply management at the international GATT in Geneva, not advocating that our negotiators cave in the way the Tories have. Further, in arguing strenuously for strengthening and clarifying Article 11, we want to make sure that our negotiators go over there and fight for an end to the ruinous export subsidies that the Americans have been using to undermine our marketplace, to steal our customers from us.

We don't hear a peep from the Tories over there even though it was them that spent taxpayers' money trying to get us to vote for free trade, even though it was them that rammed free trade down the throats of the Canadian people when only 43 percent of Canadians voted for them in 1988. It was an absolutely irresponsible agreement that was signed, but one clause in that agreement, Mr. Speaker, compelled both countries, Canada and the United States, not to use their export subsidies to undermine one another's marketplace opportunities. Have the Americans done that? Well, as a matter of fact, before the ink was even dry on the draft agreement they were juicing up that export enhancement program to steal our customers and undermine the price in the international community. Have they stopped doing it? Well, the answer to that is no. In 1992 another billion dollars of American taxpayers' money was pumped into their export enhancement program to steal our markets and lower prices to Canadian producers even though it's expressly prohibited by the free trade agreement. That agreement is a sham. It's a shame that the Liberal Party in Alberta walked hand in hand with the Conservatives and Reformers in Alberta to support the free trade agreement with the United States. It's an even greater shame that the Liberal Party walks hand in hand with the Conservatives and Reformers in Alberta to support the North American free trade agreement with Mexico because the impact of that is going to be even worse for producers, consumers, and working people in this country. So let's not lose sight of the real issues here.

It's important that we support our producers and that when we go out there and fight, we have to make the case because not all producers support the concept that producers ought to be paid fairly for what they produce. You'll find some in the beef industry, for example, who would argue, I guess by implication, that producers shouldn't be paid fairly for what they produce, and they stand foursquare against the operation of supply management. Well, we should explain to them and we should explain to some of the right-wing commodity groups that the government has set up with producers' money, like the Barley Commission, for example, that supply management is a great benefit to them as well, that these producers who produce hatching eggs and chickens and turkeys and dairy products in the province of Alberta consume a substantial amount of feed grain in the province. They're a benefit to grain producers in the province, and it would be a darn shame if that market was lost because of Conservative agricultural policy. They are great consumers in the overall economy of Alberta buying equipment, buying land, buying supplies and services to keep their industry going, and I think that's a story that has to be told as well. So it's very important that we go out there and convince people that it's a benefit to them that we have supply management operating in Canada.

That's not to suggest that we close our eyes and build walls around our country, as hon. members will try and advance. I think we can be competitive in the international marketplace. We just have to make sure that we maintain the ability to feed ourselves, that we provide the kind of organizational support to producers that is necessary so that they can compete effectively in the marketplace. It's so important, Mr. Speaker, to understand that farmers want to compete in the marketplace, but they want to

do it in an organized fashion. When they go into the marketplace, they pool their production, market it together, and say, "Look, we want you buyers to come to us and compete to buy our product rather than us going to you hat in hand and competing with each other to take whatever price you may want to give us." [interjections]

4:30

Hon. members opposite are becoming quite animated, Mr. Speaker. I don't know if the Member for Calgary-McCall will feel moved to get up and participate in this debate. I hope he does, because he represents, at least in the short term, thousands of consumers in the city of Calgary who have a direct interest in this. I hope they will join in the debate; it's a very important one. Farmers want to compete in the marketplace, but in order to compete effectively, they have to be organized. Co-operate with each other; let's pool our product, sell it through a single . . . [interjections] I know this is offensive to the Member for Medicine Hat too, who doesn't understand these issues. It's unfortunate.

Organize yourself in the marketplace. Any sophisticated organization does that, whether you're OPEC, whether you're the Canadian Manufacturers' Association. Any successful organization organizes themselves so they can compete effectively in the marketplace, and that's what we're arguing for on behalf of farmers. Allow those supply management systems to operate. They operate to the benefit of consumers, producers, and industry, and for the life of me I don't understand why Tories would want to tear them down.

Now, these members opposite who pray three times a day in the direction of the United States and look to them as the great example of how everything in the world ought to be operated should know that egg production in the United States is not handled by family farmers as it is in the province of Alberta or in Canada. It's controlled by large, vertically integrated corporations that often accept losses on their egg production units and the resultant tax advantages because they can make significant profits on their feed and food processing operations. It's just not true that the system in the United States is better. In fact, any price analysis will show that price fluctuations are much greater in the United States, Mr. Speaker, showing that consumers are more vulnerable. They don't know what they're going to have to pay at any given time because the market fluctuations are quite dramatic. And our production is far more efficient, not only in human terms, in terms of supporting more people, more families involved in the production of agriculture, more of the egg production being done in rural areas to the benefit of small rural communities as opposed to large factory type operations in the United States controlled by corporate agribusiness. Our production is much more efficient. Some members opposite may say ours is inefficient, but in fact it's 5 percent more efficient than U.S. egg production. I might explain to hon. members that in 1989 average annual yield in the United States was 250 eggs per hen, whereas in Canada it was 262.5. In spite of our difficult climate, our production is much more efficient.

Efficiency in Canada continues to increase, whereas in the United States it has remained static. Twenty years ago it took five pounds of feed to produce a dozen eggs, Mr. Speaker. Well, today it takes about 3.5 pounds. Stability in the industry in Canada encourages producers to become more efficient because they know that when they make an investment in facilities, in technology, in improved management, they're not going to have to suffer as a result and they have a chance to enjoy the benefits because there's a pricing formula in effect that guarantees them a

return to their cost of production, covers their cost of production plus a reasonable return if you're a basically efficient producer.

Mr. Speaker, now that I've gotten into the text of my comments and I am looking forward to going on for another 20 or 25 minutes, I want to tell the people of Alberta that it's not typical for governments to fight against farmers seeking to be paid fairly for what they do. Not all governments like this one work against producers who benefit from supply management. In fact, there is a government in British Columbia that issued a press release December 17, 1991, from the Minister of Agriculture, Fisheries, and Food in the province. The press release opens by saying:

Federal and provincial governments must maintain international pressure to protect the ability of Canadians and British Columbians to feed ourselves says Agriculture, Fisheries and Food Minister Bill Barlee.

"We all recognize the formidable international pressure being aligned to replace the terms of GATT Article XI with the tariffication option . . . This is unacceptable to British Columbia. We need this rule strengthened."

Well, are there other ministers of agriculture that are sticking up for farmers rather than fighting against them? Yes, Mr. Speaker, there are, certainly in the province of Saskatchewan. I don't have text to quote from. I know very well that producers in that province can count on their minister of agriculture to stand up and speak out on behalf of them on the matter of supply management. Indeed in Ontario, the ministry of agriculture and food . . . [interjection]

This is not a GRIP debate. If you'd like to get into that, put a motion on the Order Paper, hon. Member for Smoky River, and we'll do it.

On the matter of supply management, Ontario's position has always been that Article 11 should be strengthened and clarified. The ministry there remains concerned that an agreement without a strengthened and clarified Article 11 and an exemption from tariffication will not provide sufficient protection to operate Canada's supply management systems.

Mr. Speaker, I want to give other members a chance to get their comments on record, so I would just end my remarks with a plea to hon. members opposite. Hon. members of the Conservative Party, please don't be blinded by ideology. Please look at the facts. Please allow common sense. Open your eyes and ears; allow common sense to seep in. It can be a most rewarding experience. Look at the benefits to the Alberta economy, to Alberta producers, to Alberta consumers, to small communities in Alberta of the principle of paying producers fairly for what they produce. Let's work together to seek a clarification and strengthening of Article 11 at the GATT negotiations so we can all do something on behalf of the people we represent.

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

MR. CLEGG: Well, thank you, Mr. Speaker. I am a little emotional after what the hon. Member for Lacombe brought forward today under Standing Order 40. I congratulate him and all the people that spoke on that very important subject.

When we look at Motion 224 as brought forward today by the hon. Member for Vegreville, if you read the motion – and I won't bother reading it – it seems like a fairly simple motion. You know, their party has always promoted marketing. He mentioned something about common sense. Well, I hope the members of the Conservative Party can use some common sense in referring to Motion 224, because we didn't get a lot from Vegreville. However, we on the Conservative-thinking side certainly believe in paying our producers fairly. He always kept to the point of

paying producers fairly. Nobody can argue specifically with that point. But let's pay all agriculture producers fairly in Alberta. Are we going to sacrifice 8 percent of the producers in Alberta and forget about the other 92 percent or thereabouts.

Let's always keep in mind what built this agricultural sector in Alberta. What was it? I guess I am not as old as some of the hon. members, from Lloydminster and Lacombe. They spoke so eloquently today. Certainly I've been in the same house for 50 years, and I know what built the Peace River area, I know what built Alberta. What built Alberta was people raising chickens, raising turkeys, milking cows, shipping cream and, yes, delivering eggs throughout the towns and villages of the province. That's what made Alberta grow. I can tell you one thing for sure: my folks would not have been able to stay in that mighty Dunvegan constituency if it wouldn't have been for just those very things we did. I don't want to go into my dad hauling wood to town and my mom milking cows and feeding chickens. I remember that when I started grade 3, I had to milk two cows before I went to town.

AN HON. MEMBER: Was that at age 16?

4:40

MR. CLEGG: My best three years were in grade 3.

However, in the last year I have had two people . . . You know, everybody wants to come to the constituency of Dunvegan, and I can see why. It's the most beautiful constituency in Alberta. Why wouldn't they want to come there? In fact, I had somebody - I'm not sure if he was from the constituency of Grande Prairie or Smoky River - who had worked all his life and he wanted to come over and buy a quarter section of land. Do you know what he wanted to do? He came into my office. He wanted to milk two or three cows and ship cream. And whether it makes any economic sense, the hardest thing I had to do was say to that person: "Have you got a quota? Have you got a quota that you can do this?" He said, "What do you mean by a quota?" I said: "Well, you can't just do that. I mean, you've got to buy a quota if it's available. If it's available you can buy it, but it's probably not available."

AN HON. MEMBER: What price?

MR. CLEGG: Well, about \$8,000 or \$9,000 per cow. It may vary a bit. I guess it depends on how good a producing cow you have.

However, the hardest thing I ever did was to tell that gentleman: "Sorry, you can't milk cows." He said, "I will follow every health regulation, and I'm prepared to do that, but you're telling me that I can't milk cows so I can have an income." I said, "I'm sorry; unless you're prepared to get those quotas, the answer is no."

About three months later I had a gentleman - I know this fellow was from the county of Grande Prairie, and again he wanted to come to Dunvegan - who wanted to raise a few chickens and sell a few broilers and some eggs. No, you can't do that, because we've got these great marketing boards that control everything.

In the motion brought forward, he kept using the word "fairly." Well, nobody is going to argue about "fair" or "fairly." We all want to be fair, but I can't see any fairness when I have to tell people they can't do something because some board or somebody else has made stipulations so that it's impossible for them to make a living. You see, he talks about fair, fair, fair. He must have said that word 50 times. You can't talk about marketing boards unless you talk about the GATT agreement, the global world

market that we're in today, free trade. Free trade had no effect on agricultural products.

AN HON. MEMBER: Oh, Glen.

MR. CLEGG: None. We've flowed freely back and forth. If any, a very small percentage of it.

I'm of the strong belief that we as Alberta producers - why can't we compete? Why can't we compete in raising chickens, raising eggs, raising milk and dairy products. Why can't we compete? You bet we can compete. I'll compete against anybody in this world. Why we can't compete with many of our agricultural products is because of the subsidies of other countries which we've been trying to get rid of under the GATT agreement. It's clearly in the GATT agreement. Something we've been pushing for, which is essential for all producers in Alberta and western Canada, is that we get at least some breakthrough on the GATT agreement. I'm not scared. I'll produce wheat against anybody in the world. But when you've got countries that are subsidizing more than what I am getting producing wheat or barley, then I can't compete anymore. So if we can break that barrier down, we've got a system, a global market system. Albertans aren't scared of competing in the global market. Why would they be? We're the only efficient businessmen in the province of Alberta today. We are competing, and we're competing even against the high subsidies in other countries.

Now, if you want to start talking free trade, there aren't many sectors of our economy today that are competing. But we as agriculture producers are competing, Mr. Speaker, because we are workers. So many of our labour unions today believe they can go and get \$25 or \$20 or \$15 an hour when every other country in the world is getting \$10 or \$15. That's why they can't compete. We as an agriculture sector have been working and, I suppose, to a degree will continue to work for a very small wage.

Today we have a young and dynamic bunch of farmers coming into our agriculture sector. They are doing and they want to do their own marketing. My neighbour is now following the market. They're not like I was and still am. You know, I produced the grain and just took it to the elevator, and whatever they gave me I'd go home with. This new group of farmers we've got today is in fact marketing their grain.

I know there are many, many people that want to talk on this today. In closing, I don't want to say that the hon. Member for Vegreville didn't bring this forth with good intent, but we cannot look at 8 percent of our producers and forget about the other 92 percent of our agriculture sector. We will compete. We can compete. If people really stop and think, I am sure we will produce eggs and chickens and turkeys and milk and cream, you name it. We can compete, and those people that now are in that business will compete. We have to give up something. As this government said, we'll do it in a mannerly way. I know that agriculture in the late '90s will flourish in Alberta.

Thank you very much.

MR. DEPUTY SPEAKER: The hon. Member for Three Hills.

MR. MacDONALD: Thank you, Mr. Speaker. I want to rise to support this motion. I believe there is real benefit in having marketing boards not only to the producers of this province but also to the communities those producers live in. I believe there's also a benefit to the consumers. Consumers have acknowledged that they see benefit in marketing boards. An Angus Reid poll from 1992 states the view that producers are not receiving adequate remuneration for providing quantities under supply

management. It was most pronounced in Alberta at 66 percent. There was less of a majority in Quebec and the Atlantic provinces. The consumer in the province of Alberta sees that there is benefit. In Canada half of those polled said they believe farmers do not receive enough money for supply managed products. As well, we see overall that Canadians agree that the quality of agricultural products produced by supply managements is a positive attribute to the marketing board system. Only 7 percent suggested that the quality of products is unreliable under supply management, and 15 percent noticed no difference at all. All that supply management does is seek to ensure the producers make a fair return for their product.

Mr. Speaker, my dad used to tell me – and as an aside, my father was among the first landing parties to take prisoners of war off Hong Kong in 1945 and spoke of the heroism of the men that had survived those camps. He always argued there was nothing wrong with \$2 wheat if we could have 10-cent shirts. Our greatest problem, as the Member for Dunvegan has said, is that we have labour costs that are completely out of whack in our country. We have the Saskatchewan Wheat Pool telling us they just settled with sweepers on the west coast at \$26 an hour. Now, the world market for wheat is \$2 a bushel. The world market for sweepers is not \$26 a bushel. So we have some real problems and inequities in what farmers are getting. Let's not go back to the one sector where we are having profitability and tell them they should no longer be profitable.

4:50

What happens when only a very few, as the Member for Vegreville has stated, control the supply of food? If we want to see a fully integrated system of supply, as they have in the States, I think the day will come when very, very few corporations manage all the production. Food will no longer be cheap. I believe the consumer right now is paying about 11 percent – maybe 12 percent, as the member has said – of their income on food. Consumers are spending far, far more on any number of other items, including restaurants, hotels, recreation, recreation facilities: a far higher proportion. Consumers are willing to pay a fair share for food. I think that should be the message our minister of agriculture is putting across: we want to see a fair share at the farm gate.

Mr. Speaker, we need to support supply management because of what it means to rural Alberta. If we are to ensure viability of our rural communities, we must ensure that the primary producers in these areas realize a profit. So what it really boils down to is basic profitability. And “profit” is not a dirty word. It's not a dirty word for the oilman. It's not a dirty word for the rancher. It's not a dirty word for the hog farmer or those who run dairies and those who have poultry farms. So we stand as a party in support of supply management.

Thank you, Mr. Speaker.

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

MR. THURBER: Drayton Valley.

MR. DEPUTY SPEAKER: . . . Drayton Valley.

MR. THURBER: Thank you, Mr. Speaker. I know you had an early morning this morning, so I'll forgive you for forgetting where I come from.

MR. DEPUTY SPEAKER: Yeah, you're going to have a late night.

MR. THURBER: Probably.

Mr. Speaker, I had to rise in opposition to Motion 224 as presented by the Member for Vegreville. I, too, have a lot of dairy producers and chicken producers and producers of different commodities that are under marketing boards. I watch them when I'm driving through my constituency, and I'm really pleased to see their nice painted outfits, their nice painted farms. They have new trucks. They're doing well. They're prospering. What I feel sorry for is when I go down the road and see the guy that wanted to go to Dunvegan and he couldn't get into Dunvegan either. But he's down there, and he wants a piece of the action. He wants to compete. He wants to get into the chicken business or the dairy business. He feels he has a right to, but under marketing board legislation, he doesn't have that right unless he buys it. In some cases you can't even buy it because the market is full. Marketing boards are a fine concept if you only wish to trade within your own community and not export anything.

I guess I would have to pose the question to the hon. Member for Vegreville: when you go across the line to the United States of America, how many of our dairy products do you see on the counters down there? How many of our chickens do you see down there? How many of our eggs do you see down there? I can take you down there, though, and I can show you our beef and our pork and our grain-fed stuff that goes to that market, because we are competitive in this country and we're not afraid of competition. It's one of the prime aspects this country was built on. But somewhere along the line somebody wanted to be protected, so we now have a legalized monopoly to protect and produce a specific commodity. It doesn't work, Mr. Speaker. We've watched it on the international scene in the last few years. The European Common Market decided they wanted to protect their producers. The Americans have now decided they want to protect their producers. We get caught in the middle. If the subsidies and the protectionism were removed from that market, we could compete. All Canadians could compete. In fact, I have dairy farmers and chicken producers in my constituency that would like to get rid of the \$9,000 quota or whatever the figure is on it. They said: “Let us compete. We can go out there and compete with the Americans. We'll compete with anybody.” We can do it.

This protectionism has gone so far, Mr. Speaker, that it has reached the GATT agreements in the last few years, and basically that's what this motion is all about. When Canada first entered into GATT, we talked about negotiating a flexibility on market access and aggressive pursuit of other markets within the global picture. Now the federal government has turned around, and they want to push for Article 11 of GATT to be emphasized and strengthened. Alberta's position is not that position. The federal government has done a complete flip-flop on it. They've changed their mind, but they still want it embedded in stone. The support for that out of the over 100 nations that belong to GATT has backed off considerably. In fact, just recently, as late as last week, another couple of countries backed out from supporting the protectionist stand. They all know they have to continue to work in a global market.

If we wanted to live within the confines of Canada or the confines of Alberta, it would be very simple, but our producers are so competitive that we've been in the global market for many, many years in many commodities. I think we should be allowed to get into that global market with all commodities in agriculture.

I recall one time I was in a place in the United States, Mr. Speaker, and we were touring a packing plant. The wages in the packing plant at that time were about \$4 an hour. Our wages up here in an equivalent packing plant were anywhere from \$12 to

\$14 to \$16 an hour, but because we were competitive, we were moving meat into that market. We can compete with any place on this Earth, and don't let anybody ever tell you any different. Whether it's in chickens or eggs or dairy or beef or pork, we can do it. I have full confidence in our producers.

It bothers me when people sit back, as the hon. Member for Vegreville has done. He said: we need protection; we need to pay the farmers fairly. Look at our farming community in export areas other than for grains. They've been hurt because of the protectionist attitude by other parts of the world. But if you look at our beef and pork, I think our producers are getting paid fairly or as fairly as the market will allow them to be paid. They're not starving to death; they're doing just fine, Mr. Speaker.

When you have a legalized monopoly and it closes the doors on people to enter into that industry, it forms a little clique. As that continues over the years, the number of people involved in that industry becomes smaller and smaller and smaller. Certainly they get paid fairly, certainly they get paid well, certainly they prosper, but what about the guy from Dunvegan that wants to milk a few cows or raise a few chickens or do any of the other things that are under marketing boards?

Mr. Speaker, I guess I just can't emphasize too strongly that we must defeat the motion by the hon. Member for Vegreville. It's not in the best interests of our agriculture producers, and I maintain again that we can produce in any market in this world given the chance.

MR. DEPUTY SPEAKER: The hon. Member for Stony Plain.

MR. WOLOSHYN: Thank you, Mr. Speaker. I certainly appreciate getting into the debate at this point since the two previous government members have left the House with some slightly erroneous information. The Member for Dunvegan would know if he had read up on the criteria that that man who wanted to raise the 15 chickens didn't need his permission because he could go up to 300 without having a quota. So he had his 15 chickens. That man can leave Drayton Valley tomorrow and go up to 299 chickens without even the Member for Dunvegan's permission to get in there.

The other misrepresentation has been left by the Member for Drayton Valley. He implies that the beef industry is going totally on its own. Well, there's something we have in the beef industry called a tripartite agreement that pays an insurance plan if you will, a subsidy if you will, whatever you want to call it, to the beef producers. I might point out that this government eliminated the cap on it two years ago and is now subsidizing a multinational beef producer in this province with farmers' own money. That is what this government is all about when it comes to agriculture, Mr. Speaker. That's the kind of competition that the marketing boards will keep out. That is the competition whereby a big outfit will come in and take the tripartite money. The biggest payments went out to an outside producer in the last couple of years under that program.

5:00

One of the members indicated that free trade didn't have any effect on it. I think that particular member must be getting like me and suffering from memory loss, because it seems to me there were some debates in this House not too long ago on the duties that were being imposed on pork exports, duties that were hurting our pork producers quite severely. I think they called them a countervailing duty, if the member would try to reflect back a little bit. That countervailing duty is directly the result of the Tory trade agreement – not free trade, because had it been a free

trade agreement, we would have been able to have a real free trade. This was a process, a condition under there that the United States used to hurt our pork producers. What excuse did they have? The excuse was that somehow or other the Alberta government was involved in Gainers. Now, that's stretching it quite a bit, but it cost the pork producer quite heavily in this province, and we are paying that price now at the meat counter.

I think there's a very important principle that's being forgotten here. Farm gate pricing – if you want to call it marketing boards, whatever – established a fair price of the wholesale level. We have to remember that whether it be eggs, poultry, dairy products, pork, beef, whatever, the producer has no follow-through to the final retail price of that product. I think all hon. members should sit and reflect: next time you pick up your jar of mayonnaise, the cost of that jar of mayonnaise is subsidized by something that the egg producer is doing. It's overproduction. It's referred to as crackers and breakers, and those eggs go for a very, very cheap price to the producers of products such as mayonnaise.

We have the same end result with overproduction of milk: the farmer is penalized on his price. That milk is then deemed to be industrial. It becomes powdered milk. Again, the producers of that powdered milk get the raw product virtually free, and if he's not careful and doesn't stay within his guidelines, the farmer pays a heavy price for that.

The other side of the coin that I think has been forgotten: quite clearly, that same farmer is penalized if he overproduces; if he underproduces he may lose his quota. That's forgotten to be pointed out by people who don't understand the system as well as they should.

I think the other part we cannot overlook is that the supply management system did not paint the fences for the farmers in Drayton Valley. The people who painted those fences were good managers of farms. I think we should remember that. Egg producers go broke if they don't manage well. Dairy farmers will go broke if they don't manage well. Yes, I agree with the Member for Dunvegan. Albertans can compete with anybody provided we have a fair playing field, and we are not going to get it by soft-pedaling or backing out of Article 11. At least Article 11 ensures that within Canada – and for heaven's sake, if we can't determine what we're going to do within this country, then who should? The Americans should; the British should: that's what the members from the government side are wanting. Article 11 ensures stable prices to the farmer.

I think it's worth noting that dairy farmers often – and I stress “often” – have the price lowered for their raw milk if the price of feed that goes into it goes down. They have that. There is a downward control on it too. So we can't just say that all of a sudden the farmers are going to become very, very rich on the supply management program. I would suggest to any hon. member in this House to indicate to me that when that farmer gets a lower price, automatically that price is passed down to the consumer. The answer to that is obviously no. However, if the farmer gets that margin return because feed costs increase, his profit doesn't go up. His costs have gone up. It's reflected in the moneys paid for the raw product. That will come on your retail shelf. On the retail shelf the price goes up, up, up, up, rarely if ever down.

I'll give a good case in point. A loaf of bread: value anywhere from 99 cents to \$1.20. The value of the wheat in there: under 5 cents. You can't attribute that, Mr. Speaker, to high labour costs. You can't attribute that to any one single thing. But I will say to you: unless that farmer gets more than 5 cents for that wheat in that loaf of bread, he's not going to make it.

Those of you in here who like to drink beer: that bottle's going up another 60 cents a dozen. Go load up now, load up quickly because she's going up soon.

AN HON. MEMBER: How do you know?

MR. WOLOSHYN: It was on the news yesterday.

Mr. Speaker, again we have to look at . . .

MR. DINNING: Did you pay lots for that research, Stan?

MR. WOLOSHYN: That, hon. Treasurer, was researched directly from your department. They can track the price of a bottle of beer if nothing else. So keep on them.

MR. DINNING: TV research. Good for you.

MR. WOLOSHYN: The same research you use, Mr. Treasurer.

Mr. Speaker, I might point out to you that the barley in that bottle of beer is also less than a nickel. So you start looking at how much of the economy the farmers, whether they're in supply management or not, are carrying. You will find it's a very, very significant amount. What we're talking about here with this particular Motion 224 is to ensure that the farmers under that program end up with a fair price for their product, to ensure that the product they turn out meets the most rigorous health standards you'll find anywhere.

I would indicate to the members of any party that if you want to see very shoddy operations in terms of the dairy industry, go down to San Joaquin valley and see some of those operations when they have a wet time. I was through there last January and saw herds of dairy cows with mud up to their bellies, supposedly feeding. That mud would find its way into the milk stream, if you will. A big sign there said: we milk over a thousand cows. Well, I'll tell you something: I wouldn't want to drink the milk within a thousand miles of that operation. It wasn't just one; there were two or three or four.

Mr. Speaker, we have to protect Article 11. We should urge the minister of agriculture in this government to open his eyes, to learn what the real . . . You know, if we purport to support farmers with fair prices, then we have to act on it. I think there's something that's sort of being implied here but not really being said. The implication of supply management is price-fixing, and that is the furthest thing from the truth going. It is ensuring that you get a fair return on your investment, that the costs of production are somehow taken into account, and that you end up, if you manage well, being able to make a profit. That's good, and I agree with that totally. I don't think any farmer should be operating below the cost of production, as many grain farmers are, and we all know what's happening there.

I'll say something to you: even if we take this away, the farmer does not have the luxury, for example, that the oil companies do. You're going to tell me for one minute that when you drive through Edmonton, all gasoline today is costing 45 cents a litre whereas yesterday it was 49? If you go to Calgary, it might be a few cents higher or lower. Oh, we blame the taxes on it. Sure, we blame taxes, but I also point out to you that right in this area, one of the major oil companies is upping the rent to their lessee dealer, or employee, if you will, by some 80 percent with no justification.

AN HON. MEMBER: How do you know?

MR. WOLOSHYN: Because I spoke to the man. He came to me for assistance, which I'll try to give him. That's why I'm not

naming the oil company or the location at this point in time. No consideration was given to what his costs were. No consideration was given to what his profits were. The simple fact of the matter is that he's now going to have an 80 percent increase in his rent. He's going to fold up and walk away.

Now, at the same time we fall into this trap of feeling sorry and putting through all sorts of subsidies for the producers of this product, not once stopping and thinking that the same company that has the lease on the land, that drills the well, that gets the crude and refines it and sells it to you has control right through the whole thing. In this province we've got price-fixing at the retail level for gasoline, slice it any way you want. All that supply management does – and I wouldn't have any objection if we had a supply management program for the gas industry program as opposed to a subsidization. We've got the worst possible thing going now. We've got gifts without strings.

If we look at what's happening in the supply management sector with the farmers: they have to be effective, they have to be efficient, they get a return, and they are able to stay in business. The consumers get good, fair-priced food and a guaranteed supply of high-quality good food. If any of you want to start thinking, "Oh well, we'll just take the lid off and it'll be fine and wonderful," I think you'd better have another look at it, because it just won't be that way.

5:10

I think it's no secret to anybody who's been around the farm community that some years ago a farmer from Ontario was able to purchase a brand name tractor in England, bring it home, and pay for his trip there and back and still put something like \$5,000 or \$7,000 in the bank. That was previous to the big increases in the price of farm tractors. That opened the door to imports from primarily at that time eastern Europe. I'll give you a good comparison. The hon. Member for Dunvegan will understand this one. He knows what a White tractor is, he knows what Fiat factory is, and he knows what a Universal tractor is. You'll get the identical tractor delivered on 156th Street in Edmonton. One's a Universal dealer; right across the road, the other is White. Both are built by the Fiat factory in Italy. There is about \$5,000 difference. One of them is higher than the other, and you tell me why.

AN HON. MEMBER: You tell us why.

MR. WOLOSHYN: I'll tell you why. Because one is being competitive and the other's gouging. One has a brand name; the other has a name that's not too well respected. Right or wrong, Mr. Member from Dunvegan?

MR. CLEGG: Yes, you're right, Stan, on that point.

MR. WOLOSHYN: These are the kinds of things that creep through the whole agricultural sector, Mr. Speaker. We have this problem, as I pointed out with the tractors. The farmer has no say in what the input costs are going to be. He gets gouged for his fuel. I use the term "gouged" for his fuel; no question of it. He gets gouged on his machinery costs; he gets gouged on repairs. All we're trying to say in here is that one sector has been functioning.

The Member for Vegreville has pointed out, supported in an indirect way by the Member for Drayton Valley, that the farmers that are protected by the marketing boards are able to maintain their operations and to, in fact, prosper. I don't see anything wrong with that because I don't see them being subsidized. I

don't see anything wrong with paying a fair price for a product produced. I don't think any members from any side of the House would argue with me there. This motion states quite clearly that we should retain Article 11 which permits us to continue with a particular in-house kind of marketing strategy for agricultural food products that we have had for years. I think the Member for Dunvegan would agree with me on this one, as he agrees with me on the tractor prices: if we take and sell our souls out on a vague promise that other countries won't subsidize to be unfair to us, we're deluding ourselves.

The Americans subsidize agricultural production as much as if not more than the Europeans. You go through the San Joaquin valley and see they've got cotton subsidized, for heaven's sake, to compete with the producers in the southern U.S. Then they switched that around and subsidized both ends. All the water-works are put in by the American corps of engineers: free water to the point of where they're wanting to buy water from Canada because of what's wasted in the agricultural sector, not for growing food but wasted in the San Joaquin valley. That alone would keep Los Angeles going with water for heaven knows how long if they just didn't waste. They wouldn't have to worry about a supply. This is paid for by the American government.

[Mr. Main in the Chair]

I can't think of any farm commodities in the U.S. that aren't somehow, in some roundabout way supported. Whether they're paid not to produce – and this is another aspect that we have to look at. In the U.S., as you know, hon. members, if they have a surplus of grain, they are paid not to produce. What Article 11 under the GATT, sponsored by the Member for Vegreville, asks is that we pay the producers in the supply management program what their products are worth. That's not an unreasonable position for any philosophy to endorse: pay what the product is worth.

Furthermore, to ensure that people don't take unnecessary risks and incur unnecessary losses, you'll also have a quota system. The quota system is very fair. The man who wanted to have three cows in Dunvegan – if it was three hundred cows or three cows, it doesn't matter. But if he was going to go in there to go broke, it's better that the Member for Dunvegan said, "Keep your cows in Drayton Valley." At least there they can be beef cows and can be subsidized through that back door.

Mr. Speaker, I think we must give some very, very serious consideration to what this motion entails. We can get into lots of fun and name-calling and criticism of political philosophies, but no matter what philosophy you have, if you are objective, rational, and more than anything realistic – and I underline "realistic" – you will understand that we can't afford to let the supply management program go out the window. We certainly can't afford to change it by some pressures, if you will, from European companies. You know how fair they are and how much they care for Albertans or Canadians over there. In general in Europe they don't give a hoot, and we're having some members suggest that all of a sudden, if there was some sort of half-baked promise made through GATT, they would live up to it. There will always be another system to wreck it. The Americans have proven that in the agricultural sector over and over and over again. They can subsidize whenever they want to, but heaven forbid if anybody else wants to get on the same bandwagon. Then they scuttle you very, very quickly, as in the countervailing duties on pork, and that was when we weren't even subsidizing.

AN HON. MEMBER: Yeah, but we beat that.

MR. WOLOSHYN: We didn't beat it. We took a terrible licking on it because the packing houses upped their prices in order to ensure that they might have to pay retroactive duties. Those increased prices that were reflected in the packing houses I would suggest never did come back to the consumer's table. So we never did beat it. We took a licking in the midterm, and we'll take it again and again and again. Simply, that will happen until we get ministers of agriculture here and elsewhere who are willing to stand up for what we should be fighting for. [interjection] I didn't hear that, hon. member, but if you say it a little louder, I'll give you an answer too.

Mr. Speaker, I will close in just a couple of minutes, but what I want to say here is: if you're going to take away the marketing boards, and if you want to keep it fair, and if you want to keep high-quality food at a reasonable price going to the consumers, then you had better start controlling how the input costs are arrived at. You had better start looking at whether we're going to set up programs such as a tripartite beef agreement, take the cap off, and let a big operator come in and take all the bucks out of the producers' pockets, out of the taxpayers' pockets because all of a sudden he's got the highest number in the herd. That's happened. One can shake one's head all one pleases, but that cap came off about two years ago, and the big foreign producer got the biggest benefits from it.

We have to look at these kinds of things in agriculture because right now in agriculture in the world there isn't fair play and there's a surplus; at least there appears to be a surplus. We haven't even addressed the dumping of beef from New Zealand in Alberta. You can go down to the Safeway store and buy a steak from New Zealand. It tastes half as good, but it costs half as much as a good Alberta steak.

MR. DINNING: Then don't buy it.

MR. WOLOSHYN: That's right, hon. member, don't buy it. But it's there on the shelf. You can buy beef from the U.S. supposedly, but I haven't seen that. I wouldn't buy American beef anyway.

Now, if we're going to let the lamb producers come in – we lost the sheep industry in Alberta simply because it wasn't properly protected. If we take away marketing boards, you can rest assured there will be the so-called competition in there, and then it's going to be taken over by a large monopoly. Then you're going to be paying prices that are going to be escalating. You are not going to have the luxury of a guaranteed supply. You're not going to have the luxury of the quality, of even meeting the health standards that we require. You won't have that, Mr. Speaker.

5:20

I again reiterate that although this motion was supposedly simple, it's a very important motion. It's extremely important. I think every member should support this particular motion and support it wholeheartedly, because we have to start treating not only the producers that are covered by the marketing boards fairly, we have to start looking at ways to treat the rest of the agricultural community fairly, and the marketing boards may stand as a good example of a possible way to treat the other sectors of the agricultural economy.

[Mr. Speaker in the Chair]

The marketing boards stand on their own merit. They have given a good return to the producer, a fair return. They have provided an abundant supply of food where prices haven't fluctuated. We can plan for it, and the economy is more stable as

a result of it. I would suggest to you that if we start losing these small producers, if you will, we're going to have a bigger problem in rural Alberta than we do already. You're not going to see that cured by the great multinational corporations sprouting around in the U.S. that have monopolized the food production there. You will see the same thing happening in this province also if we don't make sure that we maintain the method of production we have for agriculture.

On that note, Mr. Speaker, I'll move to adjourn debate.

MR. SPEAKER: Having heard the motion to adjourn the debate, all those in favour, please say aye.

HON. MEMBERS: Aye.

MR. SPEAKER: Opposed, please say no. Carried. Thank you.
Deputy Government House Leader.

MR. EVANS: Thank you, Mr. Speaker. At 8 o'clock this evening we will reconvene to continue with second reading of Bill 55.

[The Assembly adjourned at 5:24 p.m.]