LEGISLATIVE ASSEMBLY OF ALBERTA

Title: **Tuesday, May 10, 1977 2:30 p.m.**

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

PRAYERS

[Mr. Speaker in the Chair]

head: INTRODUCTION OF VISITORS

MR. SPEAKER: I'm pleased to be able to say that we have with us today a distinguished delegation from the Yukon Territory, consisting of the hon. J. K. McKinnon the minister for local government, the hon. H. D. Lang the minister of education, Mr. W. Lengerke a member of the legislative assembly, and Dr. J. C. Hibberd a member of the legislative assembly and also the Deputy Speaker. I would ask the Assembly to welcome our visitors from the Yukon.

head: PRESENTING REPORTS BY STANDING AND SELECT COMMITTEES

MR. HORSMAN: Mr. Speaker, the Private Bills Committee has had under consideration the petition of the Society of Industrial Accountants of Alberta for an Act to Amend an Act to Incorporate the Society of Industrial Accountants of Alberta, pursuant to Standing Order 81(2). The committee reviewed certain deficiencies in the advertising of the bill as required by *Standing Orders.* The deficiency was found not to have been the responsibility of the proponents of the bill.

Upon the recommendation of the Private Bills Committee, I therefore move that Standing Order 77 be suspended to permit the presentation, reading, and receiving of the petition of the Society of Industrial Accountants of Alberta for an Act to Amend an Act to Incorporate the Society of Industrial Accountants of Alberta.

[Motion carried]

head: INTRODUCTION OF BILLS

Bill 42
The Alberta Income Tax Amendment Act, 1977

MR. LEITCH: Mr. Speaker, I beg leave to introduce a bill, being The Alberta Income Tax Amendment Act, 1977. This bill has several purposes, the first of which is to increase the personal income tax rates for the province of Alberta to take up the income tax that is being reduced by federal government legislation in an almost identical amount. That flows from the recent federal/provincial fiscal arrangements.

The second purpose is to significantly reduce the income tax payable by persons earning taxable incomes of less than $11,500 by changes in the selective rate reduction and by a credit for dependants. Mr. Speaker, the total reduction in personal income tax payable by Albertans as a result of this change is estimated to be $12 billion annually.

The bill also proposes changes in the renter's assistance credit program to remove some of the existing inequities.

A change is also proposed in the method of averaging incomes for farmers and fishermen, which will enable them to average their income for income tax purposes over five years even though they may not have been a resident of the province of Alberta for that entire period.

The bill also proposes some changes in the Alberta royalty tax rebate program, the most important of which is to change the system whereby those entitled to a refund now make a tax payment and later have it refunded to them. The change will enable them not to make the payment in the first instance.

Mr. Speaker, certain other changes proposed in the bill are of a more technical nature and do not involve policy changes.

[Leave granted; Bill 42 read a first time]

head: TABLING RETURNS AND REPORTS

MISS HUNLEY: Mr. Speaker, I wish to table for the information of the House a booklet called Programs For Senior Citizens. It has been compiled through the division of senior citizens in my department. It cuts across the various departments of the provincial government, but also relates to some federal benefits for senior citizens. Booklets will be distributed to all members of the Legislature.

DR. HOHOL: Mr. Speaker, I'm pleased to table the reports of the four universities in the province. I'm particularly pleased to place before the House the first annual report of Athabasca University as a full-fledged university in our province; in addition, the reports of the universities of Lethbridge, Calgary, and Alberta.

head: INTRODUCTION OF SPECIAL GUESTS

MR. KIDD: Mr. Speaker, it's a pleasure for me to introduce to you, and to the Assembly, 70 students from Airdrie Junior High School. These students are from both my constituency and the constituency of the hon. Leader of the Opposition. He has extended to me the courtesy of introducing on his behalf those students he represents. They are accompanied by their teachers Mr. Brydon and Mr. McDougal, and by chaperones Mrs. Shuttleworth, Mrs. Baily, Mrs. Hansen, Mrs. McKenna, Mr. Buza, and Mr. Miller. They're seated in the members gallery. I would ask them to rise and receive the welcome of the House.

MR. LITTLE: Mr. Speaker, may I introduce to you, and through you to the Members of the Legislative Assembly, 31 students from Holy Cross school in the Calgary McCall constituency. They are accompanied by teacher Mr. Hoeper and bus driver Mr. Spencer. This trip today was sponsored by the Rotary Club of

Calgary south. They are seated in the public gallery. I would ask them to rise and be recognized by the Assembly.

head: **ORAL QUESTION PERIOD**

PWA — Acquisition Discussions

MR. CLARK: Mr. Speaker, I'd like to direct the first question to the Premier and ask if the cabinet has received a proposal yet from the management of PWA with regard to that burning issue of assuming control of Transair.

MR. LOUGHEED: Mr. Speaker, yes. The board of directors of Pacific Western Airlines met yesterday in Calgary at a duly constituted directors' meeting and passed the following resolution: subject to the concurrence of the majority of the shareholders of Pacific Western Airlines it is moved, seconded, and unanimously resolved that the management of Pacific Western Airlines be and are hereby authorized to negotiate and accept an offer for the sale of the majority of shares of Transair Limited as proposed by Mr. Sol Kanee, the city of Winnipeg and the province of Manitoba, being the proper representative of said shareholders.

The Executive Council met this morning, considered the matter before it, and for a number of reasons concurred in the decision of the management of Pacific Western Airlines to continue with the negotiations. I have so informed the chairman of the board, and I presume that negotiations will now continue.

MR. CLARK: Mr. Speaker, a supplementary question to the Premier. Once the negotiations have been completed, will it be the position of the PWA directors to come to the government with a recommendation concerning the number of dollars involved?

MR. LOUGHEED: Mr. Speaker, no, I would not think that would occur. We would leave it to the management of Pacific Western Airlines, the board of directors, to work out the best possible arrangements and to work out whatever required financing must be conducted, presuming they can reach an offer, and then proceed with an application to the Air Transport Committee of the Canadian Transport Commission, which would have to authorize the merger.

MR. CLARK: Mr. Speaker, a supplementary question to the Premier. What direction or guidelines with regard to financing has the cabinet given the board of PWA?

MR. LOUGHEED: Mr. Speaker, the only guideline we have given them is to arrange the financing on a normal corporate basis in the best way the company deems fit. They have a number of options open. They advise us there is no need for any input of provincial government funds in the merger application. They would work out a corporate financial arrangement, presuming they can complete the negotiations.

MR. CLARK: Mr. Speaker, is there any discussion between the directors of PWA and the government with regard to the possibility of using some of the money in the heritage savings trust fund as a portion or all of the needed financing?

MR. LOUGHEED: Mr. Speaker, no there is not. I presume and I think the nature of the discussions were that the transaction was of a magnitude that wouldn't require any special provisions of financing involving the owner.

MR. CLARK: Mr. Speaker, in the course of discussions between PWA and the Alberta government has the question of Bill C-46, presently before the House of Commons, come up and is it the policy position of the government of Alberta that this decision on Transair hopefully can be reached prior to that legislation going through the House of Commons?

MR. LOUGHEED: Mr. Speaker, as I believe the Minister of Transportation has already outlined, they are proceeding on the assumption that the merger would be considered favorable by both the Canadian Transport Commission and the federal government and perhaps an exception, if necessary, to any legislation. But on that basis we'll just have to see how matters evolve. It may be that the federal government or the Canadian Transport Commission will see the matter in a different light.

The position of the Pacific Western Airlines board of directors, as I understand it, is that they have taken the informal advice they received at face value, are proceeding with merger negotiations and, if successful, would then make an application. If the federal government, or the Canadian Transport Commission, either changed its position or put on qualifications that were not acceptable to Pacific Western Airlines, they would simply withdraw their proposal.

MR. CLARK: Mr. Speaker, one further question to the Premier. Have there been discussions between the directors of PWA and the Alberta government on the question of maintenance facilities in Manitoba? What is the position of the Alberta government on the matter of retention of maintenance facilities in Manitoba as opposed to those jobs being available in Alberta, on the assumption that the arrangements go through?

MR. LOUGHEED: Mr. Speaker, if I might, to answer that question I would have to deal with the advantages contemplated by Pacific Western Airlines in entering into the merger discussions. I think they're important, relevant to that question.

The first advantage as seen by Pacific Western Airlines is that it would give PWA access to the Yukon, via the existing routes of Yellowknife and through from Edmonton to Yellowknife with PWA. The second advantage would be that it would permit the corporation to spread its overhead over a vaster number of revenue miles on a main line basis. Thirdly, it would offset any possible encroachment of a federally subsidized air line developing out of Manitoba and Saskatchewan which, to avoid a deepening of a subsidy position, might encroach upon the main line operations of Pacific Western Airlines in the future. Fourthly, it would change the posture of the federal government from one of an adversary to PWA into a supportive role. Fifthly, it would mesh the equipment of the two air lines which is complemen-

tary to some significant degree.

It was not intended nor expressed as an advantage that there would be any transfer of jobs or any direct increase of jobs in Alberta. It would be anticipated that the government of Manitoba might appear as an intervener in the application in order to protect the employment position within their province, and they no doubt may see fit to make such representations to the Air Transport Committee of the Canadian Transport Commission as may be required. Then it would be up to the CTC to resolve the matter.

MR. NOTLEY: A supplementary question to the hon. Premier. Was there any discussion between the directors and the provincial government with respect to any route changes that may be considered, should PWA acquire Transair?

MR. LOUGHEED: Mr. Speaker, no there haven't been. I think those are clearly management decisions. There has to be give and take and trade-off. There is certainly a need in this country for some rationalization between the various air lines of what we have in Canada — a complexity of route arrangements that really, in many ways, do not benefit the citizens, either in the western provinces or the north. I think it was the feeling of the Executive Council, the government of Alberta, that these matters are better left being resolved between the management, not only of Pacific Western Airlines but the management of other air lines in Canada. I'm given to understand these discussions are of an ongoing nature.

MR. CLARK: A further supplementary question to the Premier, flowing directly from the announcement yesterday and from the answer about the negotiations or discussions being of an ongoing nature. Is the board of directors of PWA satisfied that arrangements can be worked out either with other air lines or with the Canadian Transport Commission with regard to increased service to the north?

MR. LOUGHEED: Mr. Speaker, as we understand it I believe the general view is that the management of Pacific Western Airlines hopes there would be growing recognition by the Canadian Transport Commission through their Air Transport Committee of the need for rationalization and for improved services in the north. That of course would depend to a degree upon any developments of an economic nature that might occur in northern Canada.

Northern Pipeline

MR. CLARK: Mr. Speaker, I'd like to direct the second question to the Premier. What is the position of the government of Alberta as a result of the Berger report which was tabled yesterday in the House of Commons in Ottawa?

MR. LOUGHEED: Mr. Speaker, we have just sent a document of some 300 pages to the Prime Minister. It's called an intrusion report. As I mentioned in the House earlier, in that report we have taken the position that we are disturbed by the constant intrusion by the federal government into provincial jurisdiction. I think it would be completely contradictory and illogical for the Alberta government to intrude in what is clearly a decision of the federal government.

MR. CLARK: Mr. Speaker, in light of that interesting answer, I'd like to direct a supplementary question to the Premier. In the course of his visit to the United States last year, were there discussions [with] governors of any of the states or U.S. officials the Premier met with, regarding on one hand Alberta's desire for lower petrochemical tariffs and on the other hand the desire of American officials for some sort of commitment or support from the province that Alberta would do what it could to encourage the federal government to move to get badly needed gas from the north into the United States?

MR. LOUGHEED: Mr. Speaker, I answered a somewhat similar question already in the House, as *Hansard* I'm sure will confirm. It was to the effect that those discussions did not relate to the question of supply of Alaska gas in the direct sense, did not relate in any sense to encouraging or influencing the federal government, did not relate in any way to routes. They dealt entirely with the matter of a treaty that has been signed between Canada and the United States, respecting the various obligations of the two countries on pipelines that cross the territory of the other country and the position of provincial governments in co-operating in that matter.

We have the treaty under advisement and consideration. During the course of this summer we will be evaluating it further and perhaps during the fall session will make some further observations. That would be something that would flow after the federal government has made a decision with regard to northern pipelines.

MR. CLARK: Mr. Speaker, a supplementary question. Is the Premier telling the Assembly that in the course of his visit to the United States last summer, there were no discussions at all between U.S. officials and the Premier of Alberta with regard to the American interest in getting gas from northern Canada or Alaska into the United States at the earliest possible date? Was the Premier asked to support the American point of view that this pipeline needed to go through? Were there no discussions of that at all? Is that what we're to believe from the Premier's answer?

MR. LOUGHEED: Mr. Speaker, I think I've already answered the question. The discussions I had involved some very interesting discussions going on in the United States with regard to their own decisions at that stage of the game on the route, such as the El Paso route compared to other routes that might be contemplated. It certainly wasn't my position as a visitor to enter internal American political discussions; they're vigorous enough on their own. I took the view, as I've just expressed, that the factor of participation by the government of Alberta with regard to northern gas and Arctic gas — and I distinguished that from Alberta gas — related to the question of the pipeline treaty, and subsequent to any decision the federal government might make with regard to northern pipelines.

MR. CLARK: Mr. Speaker, a supplementary question to the Premier. The question was: was representa-

tion made to the Premier to encourage the federal government to support one of the two pipelines presently under discussion? My question is: was representation made to the Premier of Alberta, in the course of his visit to the States, asking the Premier to do what he could to encourage the federal government to move ahead quickly?

MR. LOUGHEED: Mr. Speaker, I've just answered that question. The answer is no. What was discussed — and perhaps the Leader of the Opposition doesn't understand this situation, but I thought the pipeline treaty had been placed before this Assembly, at least the draft nature of the document — was the position of the government of Alberta, which the American legislators were obviously interested in, with regard to that pipeline treaty, because it mentioned the provinces. That was the nature of the discussion we had.

Public Service Labor Legislation

MR. HORSMAN: Mr. Speaker, my question is to the Premier. Could the Premier advise this Assembly whether he has received any representations or requests from the Alberta Federation of Labour for him and other members of the government to meet with [them] with respect to the withdrawal or otherwise of Bill No. 41, The Public Service Employee Relations Act? If so, has the Premier responded to the request?

MR. LOUGHEED: Mr. Speaker, yes. On May 9 I received a telegram from Mr. Harry Kostiuk, president of the Alberta Federation of Labour. It was to the following effect:

> The Alberta Federation of Labour executive committee requests an immediate meeting with the Premier and cabinet members responsible for public sector bargaining legislation for the purpose of presenting the federation's position that Bill 41 be withdrawn.

I have today responded in the following way:

> My cabinet colleagues and I ordinarily welcome the opportunity of discussing matters with your executive, and in fact at a meeting between the Alberta Federation of Labour representatives from the cabinet on December 8, 1976, the task force reports which form the basis for Bill 41 were fully discussed at considerable length. Many very progressive features of the bill, including areas of agreement, were discussed at that time. However, you will recall I informed your executive that the government was firm in its view that there would be no expansion of the right to strike for employees of the provincial government. However, we feel we must reject your present request for a further meeting because we're unable to understand the recent actions of your association. On May 4, 1977, the Minister of Labour for the province of Alberta attended as your guest at the convention of the Alberta Federation of Labour in Calgary. Despite Mr. Crawford's willingness to discuss Bill 41 with you, the delegates who would be most interested in the bill led a walkout. They were not prepared to listen to him or discuss the bill with him. This, in our view, is completely contradictory to your present. . .

MR. SPEAKER: Order please. I would have to take objection to the reading of fairly lengthy documents in answers since it is also contrary to the principles of the question period to have them read in questions.

MR. HORSMAN: A supplementary question, Mr. Speaker. In view of the rejection of the request to meet with the AFL executive, would the Premier advise whether or not this applies to all circumstances or only to the question relating to Bill 41?

MR. LOUGHEED: Mr. Speaker, it relates only to Bill 41. We would anticipate that on other matters we would be having ongoing discussions with the Alberta Federation of Labour.

Mr. Speaker, having regard to your comment, I'll take the necessary steps to have the documents tabled in the Legislature.

MR. DIACHUK: A supplementary, Mr. Speaker. I understand a demonstration may take place. In view of the previous answers the hon. Premier has given, I wonder if the Premier or members of his cabinet are planning to meet with the demonstrators?

MR. LOUGHEED: Mr. Speaker, it would seem to me wholly inconsistent to give to the Alberta Federation of Labour the response I've just made in the Legislature, and respond to them on the steps of this Legislature. I think I share the view of a growing number of Albertans that the laws of this province should be made in the Legislative Assembly and not on the streets.

MRS. CHICHAK: Mr. Speaker, I'd like to direct a supplementary to the Provincial Treasurer. Does the Provincial Treasurer plan to have any meetings with representatives of AUPE with respect to Bill 41?

MR. LEITCH: Mr. Speaker, the short answer to that is yes. I should advise members of the Assembly that early in March this year, the labor relations committee of cabinet was joined by the hon. the Premier for a rather lengthy meeting with about 30 of the senior officers of AUPE. At that meeting, we made known our intentions to introduce legislation in substantially the form Bill 41 is now in, and invited a consultation with the union during the course of the preparation of that bill. Consultation has taken place. That was confirmed by a letter from me to the president of the Alberta Union of Provincial Employees. While there have been some meetings between the officers of AUPE and the Public Service Commissioner's office, that is being followed by a meeting between me and Mr. Broad, the head of AUPE, tomorrow afternoon.

MR. KUSHNER: A supplementary question to the minister of finance. I wonder if the minister could inform this Assembly how long these consultations have in fact existed between the public employees and the government.

MR. LEITCH: Mr. Speaker, there has been a long history of consultation on this matter. Since we'll be moving to second reading of the bill in half an hour or so, perhaps I could suggest to the hon. member that I will deal with that matter during my comments then.

MR. SPEAKER: The hon. Member for Spirit River-Fairview, followed by the hon. Member for Bow Valley.

MR. NOTLEY: Mr. Speaker, could I put one supplementary question to the hon. Provincial Treasurer before proceeding with my question, and ask him whether the government would be prepared to entertain public hearings some time during committee stage so that representatives of the Alberta Union of Provincial Employees could explain their views before the members of the committee.

MR. LEITCH: Mr. Speaker, during my term in this House, and I'm sure for many years before I came into the House, a very great number of important pieces legislation have moved through the House without such hearings. That is number one. Secondly, as I have indicated and will be going into at more length during my comments on second reading of Bill 41, there has been extensive consultation about the matters dealt with in Bill 41 between the government and Members of the Legislative Assembly, and members of the Alberta Union of Provincial Employees. I think their views are well known to all Members of the Legislative Assembly. Speaking for the government members of the Assembly, I can give the assurance that all their views on the matters raised in Bill 41 have been given very long and careful thought and deep consideration.

Provincial Jurisdiction

MR. NOTLEY: Mr. Speaker, I'd like to direct this question to the hon. Premier. It flows from the federal intrusions report presented to the western premiers' conference. Does the government of Alberta concur with the position of the government of Saskatchewan that the federal government's entry as a co-plaintiff in the case of Central Canada Potash v. the government of Saskatchewan demonstrates a systematic and deliberate attempt to destroy through court action the provincial rights of resource ownership?

MR. SPEAKER: Order please. I have difficulty identifying the subject matter of that question with the subject matter of the hon. member's previous question.

MR. NOTLEY: Mr. Speaker, on a point of order if I may, the first question was a supplementary question to the hon. Provincial Treasurer. The second question was to the Premier, flowing from the federal intrusions report which was discussed at the western economic conference and subsequently sent to the federal government.

MR. LOUGHEED: Mr. Speaker, yes, in the general sense that we certainly join with the province of Saskatchewan in our concern at the federal government participating in legislation involving other parties, which tends to attempt to winnow away the jurisdiction of the provincial governments in the ownership of natural resources. Although the hon. member referred to one instance, there is not just one; there are a number of them.

In the intrusions report, frankly, we considered the two areas of greatest import to Alberta were — and I do not have the report in front of me now — one, with regard to resources, and the other with regard to the federal government's intervention before the Supreme Court of Canada in actions against provincial governments relative to their jurisdiction.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. Premier. Was there any specific discussion as to a general policy of intervention? In the case of Central Canada Potash for example, would the government of Alberta consider possible intervention should the matter reach the Supreme Court?

MR. HYNDMAN: Well, Mr. Speaker, I think it's somewhat hypothetical. We'd have look at the situation at the time. Without knowing the facts, it's impossible at this stage to predict what might happen. I think the question is essentially hypothetical. The facts haven't yet arisen.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. Premier. Is it the intention of the government of Alberta to make direct representation to the Prime Minister of Canada beyond the federal intrusions report concerning the situation where the federal government has in fact acted as co-plaintiff with private parties in challenging provincial jurisdiction?

MR. LOUGHEED: Mr. Speaker, not beyond the very important presentation, as mentioned in the House yesterday, of the intrusions report directly to the Prime Minister, and the request, if I recall it accurately, for response to it by the Prime Minister and the naming of an official in the Prime Minister's office who can follow up on the matter. But I just wanted to underline my previous answer, that the two areas of greatest concern for us are the two areas I just specified.

Syncrude — Hiring Policy

MR. MANDEVILLE: Mr. Speaker, my question is to the hon. Minister of Labour, with regard to Syncrude Canada and Alberta Oil Sands Pipeline. Could the minister indicate whether the American firms who were awarded the contracts are giving any priority to hiring Albertans to supply the labor for these projects?

MR. CRAWFORD: Mr. Speaker, I think the hon. member's question relates to a contract awarded recently, I believe last week. I have not spoken about hiring practices with the successful tenderer in that case. The government does of course encourage local hiring to the extent possible.

Bearing in mind where the pipeline is located, I presume the hon. member is making some reference to the possibility of native hiring, which has always received considerable emphasis from the government in that part of the province. I don't know whether any details on what that particular company is doing at the present time are available through the hon. Minister of Advanced Education and Manpower.

MR. MANDEVILLE: Supplementary question, Mr. Speaker. I was referring to the American firms that got the contracts on the project earlier.

My supplementary question: has the minister

received any reports of these companies hiring welders outside Alberta and not considering applications from Alberta welders?

MR. CRAWFORD: Mr. Speaker, if I misunderstood the hon. member's first question, I apologize. I'm not aware of the nationality of the companies that successfully tendered on various parts of the pipeline.

MR. CLARK: We know they weren't Albertan.

MR. CRAWFORD: I'm not aware of the nationalities of the first or of the ones given last week. As a matter of fact, I'm so unclear on precisely who the successful tenderer was in the most recent one that I would ask someone else to provide the name. My colleague the hon. Minister of Energy and Natural Resources, who isn't here today, would certainly [be] likely to have had that communicated to him prior to me.

As far as the manpower policies are concerned in the hiring of welders, this relates to the whole question of the hiring policies of the main contractor on the Mildred Lake site. Once again, I know my colleague the hon. Minister of Advanced Education and Manpower could add to it. From information that has come to me, I am satisfied and indeed know that the hiring practices are a very meticulous progression of Alberta hiring even after local hiring. They go first to the manpower supply available locally, secondly to the Alberta market, working very closely with the labor unions in Edmonton and with Canada Manpower, and only then go beyond the borders of Alberta for hiring — which is limited in the first instance to hirings in Canada. In rare cases — and welders would be some of them, where they were simply not available in any of the manpower pools in Canada, an attempt would have to be made outside the country.

Abortion Report

MR. R. SPEAKER: Mr. Speaker, my question is to the Minister of Hospitals and Medical Care with regard to the Badgley report on abortion laws in Canada. I wonder if the minister has had any discussions with the Minister of National Health and Welfare with regard to that report.

MR. MINIELY: Mr. Speaker, no I have not. I've received a communication. I believe a reply went, which is in my office, but I have not had any discussions on it.

MR. R. SPEAKER: Mr. Speaker, a supplementary to the minister. Has the minister requested someone in his department to review this report with regard to the effects of the recommendations on the Alberta health care system?

MR. MINIELY: Mr. Speaker, I'm having the report reviewed, that's true. But as yet I have not received any report from my officials with respect to it.

MR. R. SPEAKER: Mr. Speaker, a supplementary to the minister. Has the minister been asked by the federal minister to review Alberta's legal situation with respect to the age at which a woman can get birth control services?

MR. MINIELY: Mr. Speaker, I believe that matter is more appropriately addressed to my colleague the Minister of Social Services and Community Health.

MR. R. SPEAKER: Mr. Speaker, I would so direct that question to the Minister of Social Services and Community Health. It's with regard to the Badgley report and a request of the federal Minister of National Health and Welfare with respect to the age at which a woman can get birth control services. There is an inconsistency at the present time.

MISS HUNLEY: Mr. Speaker, to my knowledge I have not received any communication from the federal minister in relation to that report. It is in my department for analysis in a manner similar to that of my colleague the Minister of Hospitals and Medical Care.

The whole matter of the age at which a person can receive information and prescriptions for birth control of course was debated in this House on a resolution and is the subject of an extensive report by the Institute of Law Research and Reform. But I can't recall any correspondence from the federal minister regarding that matter, though I certainly would be prepared to review my correspondence to see if anything has arrived from him.

School Curriculum

MR. KUSHNER: Mr. Speaker, I wish to direct my question to the Minister of Education. I wonder if the minister could inform this Assembly if any discussions are going on with the curriculum department and his department in reference to introducing additional option courses for high school students in this fall's term.

MR. KOZIAK: I'm not just too clear on the hon. member's question. The curriculum branch is a section of the Department of Education.

MR. KUSHNER: Are there any additional option courses being introduced for high school students in the coming year that would recognized by the department?

MR. KOZIAK: In addition to those that are already provided for?

MR. KUSHNER: Yes.

MR. KOZIAK: No recommendations have been made to me, and they would have to come to me before any approval of additional options is provided.

MR. KUSHNER: Mr. Speaker, may I ask a supplementary question of the minister? Do any of these introduced new courses have to be approved by the Department of Education or can a district do that on its own?

MR. KOZIAK: Mr. Speaker, a school board can introduce courses of studies for students within their jurisdiction, subject to their obtaining ministerial approval for those courses of studies.

MR. KUSHNER: A supplementary question to the minister. Can the minister inform how many recognized courses are available now from the department?

MR. SPEAKER: Might I suggest that the hon. member put that question on the Order Paper.

Northern Pipeline
(continued)

MR. TAYLOR: Mr. Speaker, my question is to the hon. Minister of the Environment. Has any preliminary work or reconnaissance been made of the proposed route of the Mackenzie Valley pipeline through Alberta in case a favorable decision is made, in order that the environment and the people may have good protection?

MR. RUSSELL: No, Mr. Speaker. In response to a similar question last week I indicated that the proponents of the various projects have kept the department informed and up to date, giving us copies of all of their submissions not only to the Berger commission but also to the National Energy Board. That's how we've been keeping watch on those social and environmental factors that will be brought up.

MR. TAYLOR: Supplementary to the hon. minister. Has the hon. minister made any reconnaissance of the amount of Crown land through which the pipe will go?

MR. RUSSELL: Mr. Speaker, I would have to check on that. The routes of the proposals are laid out in detail, and it's a simple matter of going to their submissions to find that out.

Beverage Parlors

MR. PLANCHE: Mr. Speaker, my question is to the Solicitor General. In view of increasing vandalism and disrespect for policemen in public bars and taverns, is the minister considering closing down those innkeepers who can't seem to maintain reasonable decorum on their premises?

MR. FARRAN: Mr. Speaker, I am aware of the report by one member of a police department that violent incidents have been increasing in frequency in the last three years. The broad policy, which all chiefs of police well understand, is that the onus falls on the operator of the hotel or licensed premises. It is a condition on the licence to maintain good order. I am not generally in favor of the police becoming bouncers for licensed premises. They should only be called in for serious incidents. A number of hotels have been suspended for lengthy periods for failing to maintain order, and the same policy will be continued by the Alberta Liquor Control Board.

As members are well aware, Mr. Speaker, it was my hope last year that considerable change in the atmosphere in licensed premises would be achieved within confines of the present law. We are making progress in breaking up the big beer parlors. We have introduced dancing, games, and more food facilities. I think it is fair to say that if more concrete progress in breaking up the large taverns is not achieved by the end of this year, the Alberta Liquor Control Board will be instructed to take direct action to enforce the powers they have under The Liquor Control Act.

MR. KUSHNER: Supplementary to the minister. I wonder if the minister can inform this Assembly if in fact some of the bars had been closed by the minister because they couldn't maintain law and order?

MR. FARRAN: Mr. Speaker, I don't directly close licensed premises. This is a responsibility of the Alberta Liquor Control Board, which conducts disciplinary hearings into complaints against operators. As I say, in several instances in both Edmonton and Calgary, licensed premises have been suspended for a period of time.

MR. KUSHNER: A supplementary question. Can the minister inform this Assembly if the situation is getting worse, comparing the figures about this time last year, or has the minister got that information?

MR. FARRAN: I haven't got figures before me, Mr. Speaker, but I'm not wholly satisfied with the progress we've been making. We've approved plans for reduction in size of six beer parlors in Edmonton and seven in Calgary, and [are] in the discussion stage with 11 in Edmonton and six in Calgary. When this has been achieved, I am hopeful the frequency of violent incidents will be lessened. If this hope is not fulfilled, a possible alternative is to follow the example of British Columbia and stop serving hard liquor in the beer parlors.

MR. GOGO: Mr. Speaker, a supplementary to the minister. Is this problem predominant in the city of Calgary, or generally throughout the province?

MR. FARRAN: I would say it is more evident in the two metropolitan centres, Mr. Speaker.

MR. GHITTER: On a point of order, Mr. Speaker. Lest it be misunderstood that Calgarians drink more than anyone else in this province, I would like to suggest that that implication be removed by the hon. member. It is clearly untrue. [interjections]

Calgary General Hospital

MR. CLARK: Mr. Speaker, my question is to the Minister of Hospitals and Medical Care. Is the minister in a position to indicate what progress he's been able to make with regard to getting the new psychiatric wing of the Calgary General Hospital open at last?

MR. MINIELY: Mr. Speaker, it's been open and running for some period of time. As I indicated in the Legislature, the new unit will be opened when it's completed and constructed. I have received two conflicting reports from my officials from the hospital as to the date on which the new facility may be ready to be opened. In the most recent communication I understand the hospital board continues to hope that the facility will be completed on July 1. But that is still a hope. The other report I have is that in terms of construction it may not be fully completed until September 1. But the issue relative to the operation of

the facility will be related to when the construction is completed; not to any other factor.

MR. CLARK: Mr. Speaker, a supplementary question to the minister with regard to the new psychiatric wing at the Calgary General Hospital. Is the minister telling us that he's guaranteeing to the Assembly that the financial problems for the operating budget can now be worked out, so that as soon as the actual construction is finished the psychiatric wing will be operational? From what the minister has said, I take it that those financial problems have now been sufficiently well worked out.

MR. MINIELY: The report I have from my officials to this point is that in meeting with the administration of the Calgary General Hospital's psychiatric wing, they acknowledge that the matter of equipment was in no way precluding them from opening the facility when the construction is completed.

The hospital continues to want additional budgetary support beyond the level they are now receiving. I have indicated in the Legislature my concerns relative to the degree of expanded program support, which appeared to be five times the current level of support the hospital was requesting. My officials are continuing to meet with the hospital administration and with the chief of psychiatry to arrive at a satisfactory level of program support for the current year and future years.

Yesterday I received a letter from the Calgary General Hospital board in response to my letter, and I have officials working on the details of that letter to determine whether or not the statements in that letter are accurate in relation to the information we have on file in the Hospital Services Commission.

MR. CLARK: Mr. Speaker, specifically to the minister. Is the hangup on the $3.8 million for the psychiatric program or the $5.7 million for the whole wing? Where is the real problem? Where can it be pinpointed now — the psychiatric portion or the whole project?

MR. MINIELY: As I have indicated, Mr. Speaker, the hangup cannot be pinpointed to one figure. The hangup was the fact that the hospital has been operating psychiatric programming, including forensic unit programming — granted, to a smaller extent than the new facility provides for — but that in my view the budgetary request received from the hospital lacked credibility in terms of the magnitude of the operating budget increase they required.

We are still trying to work out a satisfactory operating budget between officials of the Hospital Services Commission and the administration and board of the Calgary General Hospital. I hope we will be able to come to the reasonable level of support required to meet the expanded need of service before very long. But that issue in itself in no way prevents the hospital from opening the new facility. The amount of additional program support is the matter we have to arrive at with the hospital.

Red Deer Hospital

MR. CLARK: Mr. Speaker, I'd like to ask a further supplementary question of the minister. Is the minister aware that in addition to the problem we've had at the Calgary General Hospital, there's now something like — I'll say several million dollars discrepancy between the hospital board at Red Deer and the minister with regard to the amount that was originally agreed at Red Deer — the $43.5 million — that in fact the Red Deer Hospital board does not interpret that to include all the equipment, that the minister's people are now telling the Red Deer Hospital board that the $43.5 million does not include the equipment, and that the equipment amount will be $9 million? What step is the minister taking so we don't get involved at Red Deer in this kind of schlemozzle we've had at Calgary?

MR. MINIELY: Mr. Speaker, I think the hon. Leader of the Opposition is paying too much attention to press reports which have no bearing on the actual meeting I had with the Red Deer Hospital board and the facts in that meeting. The $43.5 million agreed upon for the Red Deer Hospital board included major equipment which is included in construction contract. It was understood at that time, as it is with every hospital in Alberta, that the amount of the construction contract, which includes the actual cost of construction — architectural fees and engineering plus major equipment that's included in the contract — was exclusive of furnishings and equipment that would be required when construction was completed. So there is no discrepancy there at all, except in the interpretation of the hon. leader from a press report I also saw.

MR. CLARK: Mr. Speaker, a further supplementary question to the minister. What steps has the minister taken or what steps has the minister had the commission take to prevent the kind of thing that's happened at the General Hospital — and may well be in the making at Red Deer — from happening in the future?

MR. MINIELY: I indicated that the system under which the Hospital Services Commission has been operating has existed from the time they started. I have indicated in the House that I've been assessing that. And I hope . . .

MR. CLARK: Christmas is coming, too.

MR. MINIELY: If the hon. leader would like to hear my response, I hope very soon now to be presenting proposals to my cabinet colleagues and to this Legislature with respect to weaknesses I have detected in this area. I will be making public announcements I hope very soon.

Olds Hospital

MR. KIDD: Supplementary, Mr. Speaker, and perhaps closer to home on the general question of hospitals. In view of the potential fire hazard at the old Olds Hospital, is the minister giving his full support to plans for a new hospital in that location?

MR. CLARK: 1981.

MR. NOTLEY: Later.

MR. MINIELY: Mr. Speaker, I think the hon. member is referring to a question raised relative to a fire inspection report at the Olds Hospital. I visited Olds, I think about two months ago — I may be off two weeks or so — toured the hospital and met with the community. I indicated at that time that we have to replace and renovate hospitals throughout the province on the basis of priority of need and recognized that Olds would feel that they require, in due course, replacement of that particular hospital.

But in the matter of the board chairman's comments with respect to a fire inspection report, my officials are awaiting the final report of the fire inspector. In the interim we will take whatever action is necessary in interim renovations to ensure that the facility lives up to fire regulations and safety standards.

MR. KUSHNER: Supplementary question . . .

MR. SPEAKER: Could the hon. member perhaps allow the supplementary to go over until tomorrow? We've run past the time. I've already recognized the hon. Member for Spirit River-Fairview. If the Assembly wishes we might see whether there might be a short question and a short answer.

MR. NOTLEY: Mr. Speaker, out of deference to the Assembly, and in view of the fact that I have several supplementaries, I'll defer the question until tomorrow.

MR. McCRAE: Mr. Speaker, I wonder if I might have permission of the House to revert to Introduction of Special Guests?

HON. MEMBERS: Agreed.

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

MR. McCRAE: Mr. Speaker, I'd like today to introduce a class of grades 5 and 6 elementary school students from Silver Springs in Calgary Foothills constituency. They journeyed up today with their teachers David Maries and David Morrow, and parents Mrs. Helga Schneider, Mrs. Pearl Johnson, and Mrs. Pennelle.

Mr. Speaker, it is of interest that the Silver Springs school is one of the first CORE schools constructed after the introduction of the CORE school program.

Might I ask the students and their parents and teachers to stand and be recognized by the Assembly.

MR. ASHTON: Mr. Speaker, may I also introduce some special guests?

HON. MEMBERS: Agreed.

MR. ASHTON: In the absence of the hon. Member for Clover Bar I wish to introduce a group of important people from both his constituency and mine. They are from throughout the county of Strathcona. They are all senior citizens, very important people, and I will ask them all to stand and be recognized by the Assembly.

ORDERS OF THE DAY

head: **MOTIONS FOR RETURNS**

MR. FOSTER: Mr. Speaker, I'd like to move that Motion for a Return 147 stand.

[Motion carried]

head: **GOVERNMENT DESIGNATED BUSINESS**

head: **GOVERNMENT BILLS AND ORDERS**

(Second Reading)
Bill 41
The Public Service
Employee Relations Act

MR. LEITCH: Mr. Speaker, I move second reading of Bill 41. I would like to say to the members of the Assembly that this is an important bill for a number of reasons, but it is an important bill for the civil service of this province. It contains many significant improvements, especially for the employees, in the regulation of labor relations between the government and its employees.

The bill is the result of well over two years of review, study, and work on the legislation governing those labor relations. The work began in 1975 following a meeting between the officers of the Civil Service Association of Alberta and the Executive Council when a task force was formed. That was formally announced in the Legislative Assembly on February 11, 1975.

The task force was composed of two members appointed by the government and two members appointed by the Civil Service Association, which has subsequently become the Alberta Union of Provincial Employees. I'm sure members will recall the task force reported on November 1, 1975, in accordance with their terms of reference, both to Mr. Broad, the president of the Alberta Union of Provincial Employees, and to me.

Mr. Speaker, it's important for us to keep in mind that despite the difference in philosophy expressed in those reports, there was substantial agreement on the part of the four members of the task force. That agreement was expressed in a letter dated November 1, 1976. There was agreement on six important recommendations. All those recommendations are incorporated in Bill 41.

In addition to the letter containing those six points that I've already referred to, the members representing the union submitted a separate report, as did the government-appointed members. Not unexpectedly, I think, there were a number of items in those two reports on which the authors disagreed. One of those was whether provincial employees who have not had and do not now have the right to strike should be given that right. Mr. Speaker, I'll have more to say a little later on that question.

Bill 41 applies to the employees of the government. That includes employees of government corporations, commissions, boards, councils, and other bodies where the Legislature or the government appoints the

majority of the members or directors. A number of such employers and their employees who would be covered within that definition are exempted from the act by Schedule A.

Mr. Speaker, I am convinced there is nothing in Bill 41 that could be said to affect adversely the present position of well over 90 per cent of the employees who will come under its provisions. There is much in it that can only be regarded as an improvement on the existing situation. In short, for over 90 per cent of the provincial public service, this bill can only be regarded as a major change for the better.

Mr. Speaker, for the remaining employees of the government, the only argument which could be made that the bill operates to their detriment is the fact that it removes from those employees the right to organize under The Alberta Labour Act. I ask Members of the Legislative Assembly to keep in mind that we're talking of less than 10 per cent of the members of the provincial public service.

Of the employees so affected, about 3,500 are on the staffs of the colleges and the universities. While they have had the right to organize under The Alberta Labour Act for many years, virtually all of them have chosen not to do so. Of that group, only one unit of approximately 50 people in the Red Deer College has become a certified bargaining unit under The Alberta Labour Act. Of the remaining employees now under The Alberta Labour Act, about 500 are employed in the Children's Hospital in Calgary, plus one unit of approximately 150 people in the Foothills Provincial General Hospital in Calgary.

Mr. Speaker, having reviewed the persons who are covered by the bill, I would now like to highlight the areas where, from both the government's and the employees' point of view, the bill substantially improves the current legislation governing labor relations between the government and its employees. But before I do that, perhaps it would be useful to review the changes that have been made by this government since coming to office to improve the collective bargaining capacity of the union.

Prior to our election in 1971, the terms and conditions of employment of provincial public employees were determined unilaterally by the employer if negotiations failed. If the government could not reach a settlement through negotiations with its employees, a settlement was unilaterally imposed by government decree. Shortly after coming to office, we introduced binding arbitration as the method of resolving disputes between the government and its employees which could not be resolved by negotiations.

Within the limits of our current legislation, Mr. Speaker, we have endeavored to co-operate with the Alberta Union of Provincial Employees to improve the bargaining process. In 1975 we adopted a divisional bargaining system. That has allowed more employees to participate in bargaining. I am sure all who have been involved in the process agree that that has been an improvement.

Members of the Assembly will recall that in 1976, at the request of the task force I've just referred to, we repealed The Civil Service Association of Alberta Act and provided for the formation of the Alberta Union of Provincial Employees, which has complete control over its constitution.

As I've earlier indicated, Mr. Speaker, as the legislation now stands, some of the provincial government employees are under The Alberta Labour Act. I've given the Assembly the details of that. Other employees of the province come under the terms of The Public Service Act, and still others come under the terms of The Crown Agencies Employee Relations Act. All members of the task force agreed this was an unwieldy system, a system that needed improvement. There was a joint recommendation that all provincial public employees be covered by the same legislation. That is the case with Bill 41.

Of course there was a sharp difference of opinion between the members of the task force as to what single piece of legislation ought to cover all provincial employees. The members of the task force representing the union argued that it ought to be The Alberta Labour Act. The other members of the task force submitted a report arguing that it ought to be a separate piece of legislation, and ought not to contain the right to strike. Mr. Speaker, that was one point on which all members of the task force were in agreement: that the provincial employees should come under one piece of legislation rather than several.

Also, the members of the task force jointly recommended that the minister for personnel not be involved in the administration of the labor relations system, and that this responsibility be transferred to an independent third party. Under our current system, decisions respecting the definition of "bargaining units", opting out, and the determination of negotiable matters are made by the member of Executive Council charged with the administration of The Public Service Act and The Crown Agencies Employee Relations Act. Mr. Speaker, that is the same minister — myself at the present time — who directs the province's personnel operation. I think it's important to keep in mind that if this is not in fact an unfair arrangement, at least it appears to have a potential for unfairness.

Bill 41 removes those decisions from the minister and places them in the hands of the five-member, independent board entitled the Public Service Employee Relations Board. This board will also have the capacity to make decisions ensuring that the negotiating process will move forward smoothly to a resolution of disputes. Under existing legislation, the absence of such a board creates the situation where it is perceived that the only way to keep the negotiating process moving is through lengthy civil actions.

The bill also includes a mediation procedure which complies with the joint task force recommendation that a provision be made in the system for the intervention of a third party before final impasse resolution machinery is invoked. If the mediation process is unsuccessful, it is followed by binding arbitration. That in turn is followed by an adjudication process to resolve any disputes that might arise out of the terms of a collective agreement or the award of an arbitration board.

Mr. Speaker, all members of the task force also recommended that unfair labor practices be specifically prohibited, and there are extensive provisions in Bill 41 to that effect. Those provisions are essentially taken from The Alberta Labour Act. Consequently, if the bill is passed, the provincial government will be bound to follow the same fair labor practices as employees must follow in the private sector.

Another matter on which all members of the task

force were in agreement was that provision be made for certification of bargaining agents, and the Public Service Employee Relations Board will have that jurisdiction. In that connection, I should draw to the attention of the members of the Assembly that the general public service, that is the employees of the various departments of government, constitutes under Bill 41 a single bargaining unit. But with respect to all other employers, all their employees shall be considered single bargaining units, that is one unit per employer, unless the Public Service Employee Relations Board is satisfied that the regulation of labor relations between the employer and its employees will be more satisfactorily conducted by having two or more bargaining units. In those circumstances, the board has the jurisdiction to order that there be two or more bargaining units.

The case is a little different, Mr. Speaker, with respect to hospitals, as there is no requirement that the board reach the conclusion that labor relations will be better conducted by having two or more bargaining units, the board is free to establish as many bargaining units for hospitals as it thinks appropriate. The reason for that distinction is to enable the board to follow the currently accepted practice of having several bargaining units in hospitals.

The last point, Mr. Speaker, on which all members of the task force agreed, was that collective agreements should have full force and effect upon their execution and not require any further authorization. This recommendation is also incorporated in Bill 41. That differs from the current practice where after having signed the collective agreement, it only becomes operable if we pass regulations incorporating its terms and conditions.

Mr. Speaker, the principle in Bill 41 on which I expect most of the debate during second reading will centre, is the question of the right to strike. The bill specifically prohibits provincial employees from striking, and also prohibits the provincial government or its agencies — and they're the ones I've earlier described — from locking out employees.

The government-appointed members of the task force argued in their report that provincial employees ought not to have the right to strike, and the members of the union argued that government employees should have the right to strike. I want to say, Mr. Speaker, that the government has not only carefully considered all the arguments put forth by the union, but the Premier and other members of Executive Council as well as Members of the Legislative Assembly have held a number of meetings with officials of the Alberta Union of Provincial Employees during which those arguments were put forth.

I'd like to digress here for a moment to give the members of the Assembly the history of the government's position on this matter and the degree of consultation and communication we've had with the union. I think I should begin, Mr. Speaker, by saying that during our terms of office, it has been made abundantly clear, both in the House and out of the House, in correspondence and otherwise by the Premier as well as others, that it was not part of our policy to have a public service with the right to strike. I say, Mr. Speaker, that there has been no illusion about that, no misunderstanding of that policy for a long time. The statements have been clear and unequivocal.

I've already covered as part of the consultation discussion process the formation of the task force and its recommendations which were made public on November 1, 1976. Shortly after that report was made public, in fact I believe it was on December 8, 1976, it was discussed at some length at a meeting with the Alberta Federation of Labour, and the Executive Council. At that meeting the Alberta Federation were advised that the government was firm in its view that there ought not to be any expansion of the right to strike.

As I mentioned during question period today, Mr. Speaker, in early March of 1977, the labor relations committee of cabinet was joined by the Premier, and we had a lengthy meeting with the president and I believe about 30 senior members of the Alberta Union of Provincial Employees. At that meeting the government made very clear its intention to introduce and pass legislation this spring implementing the recommendation of the government members of the task force.

In those meetings, Mr. Speaker, we carefully pointed out that we had fully considered the arguments that had been advanced not only in the task force report but at other meetings and in other places and in other ways on the issue of the right to strike, and indicated that unless there were new arguments, unless there were arguments that we had not earlier had an opportunity to consider, we expected our views would remain on the issue of the right to strike as we had earlier indicated.

That meeting with the labor relations committee of cabinet was followed, Mr. Speaker, by a letter from myself to Mr. Broad in which I confirmed what had been said at the meeting, and in which I invited him to have discussions with us on the principles and procedures of the bill during the course of the preparation of the legislation. As I recall, I pointed out that in my view very important changes were being proposed that would be of very appreciable advantage to the members of the civil service. We welcomed their input and suggestions on procedural matters and on anything that might be covered in the bill. That invitation was accepted and there were meetings, as I understand it, between Mr. Broad and the Public Service Commissioner during which there were discussions about the contents of Bill 41.

In addition to those meetings, Mr. Speaker, Mr. Broad met with the Premier privately on April 21, 1977 to discuss the contents of Bill 41. And again as I indicated during question period today, that consultative process is still going on. I plan to meet with Mr. Broad and his council tomorrow to get the union's suggestions for possible changes in the bill on a number of matters, although I do not anticipate there being any discussion on the main point of principle of the right to strike.

In summary, Mr. Speaker, on the question of the right to strike, the public service has known of our policy for several years. On this issue, I think there have been more meetings with members of the union and members of the Executive Council than on any other single issue that I can recall.

Mr. Speaker, having carefully weighed all the arguments and given the matter detailed study — and I may say literally many hours of thought — we have concluded it is in the best interests of the people of Alberta that provincial government employees not

have the right to strike, and that of course is the provision in Bill 41.

There are essentially two reasons for our having reached that conclusion. The first is because of the nature of the work the civil service does for the people of Alberta. I would not describe all that work as essential services. It has been argued that we should divide the civil service into two groups: those who provide essential services and those who do not. The former would not have the right to strike and the latter would. In our view there are overwhelming reasons why that principle should not be adopted.

The first really arises from the difficulty of arriving at a logical, workable definition of essential services. It's easy to use the phrase; it's easy to think of that as a concept. But when one comes to define it in a way that would be workable, one can see the magnitude of the problem. The union representatives on the task force define essential services as "those where the temporary denial of such services would directly result in danger to life and limb".

Mr. Speaker, I think it might be possible to divide the provincial public service into two categories, one of which would be providing a service which, temporarily denied, would result in danger to life and limb. But in our view, that simply would not include many services which I think all Albertans would regard as essential.

Let me give just one or two examples. We are now worried, have been worried and, despite the recent rains, are still worried about the possibility of a serious drought in this province. We're all agreed such a drought would result in catastrophic economic losses. From the ministers in the House we've heard of the action the government is taking on many fronts with the objective of being prepared to alleviate the consequences of such a drought.

Mr. Speaker, I can easily envisage a time in this province when action by government employees in combatting drought conditions would have an enormous economic impact. It would have an enormous impact on the comfort and well-being of the people of the province. But the temporary denial of that work could not be said to endanger life or limb. I ask the members of the Assembly whether the government could conceivably stand by with its employees idle when their work might provide needed water for animals, parched crops, and to meet the normal needs of people. I simply say to members of the Assembly that I can see no way a government could stand by in those circumstances while the employees were not providing services that had been arranged for them to provide.

Another example of the same nature — one could think of forest fires. You can easily imagine a fire in the forests of Alberta which wouldn't be of any danger to life or limb. They may well be in circumstances where there is no such danger or, alternatively, the people in the area may long since have managed to move to safety. Could we conceivably tolerate a situation where such a fire raged unchecked while the fire fighters — and I'm assuming a circumstance where they would be members of the union — were on strike?

Mr. Speaker, I think one could multiply those examples almost endlessly. But it hardly takes more than one or two to identify the difficulty of trying to divide government services into those which are essential and those which are not, at least on a basis that would be acceptable to the people of the province.

I think we also need to keep in mind that what might not be an essential service today may, because of changing circumstances, well become an essential service tomorrow. I cannot regard as fair or workable a system which of necessity would require defining in substantially arbitrary terms that which is an essential service today and that which isn't, then move employees in and out of those categories as changing circumstances dictate.

In my view it is far more in accord with the facts to regard the public service as generally providing to the people of Alberta services for which, in the main, there is no reasonable alternative. I think that is a broad, sound test. It is this uniqueness of government services which requires that members of a government union be treated differently from members of unions in the private sector.

But a second and perhaps more compelling reason for proposing binding arbitration for government employees, rather than the strike, as the method of resolving employer/employee disputes is that the government is an employer unlike any other. Labor negotiations between the government and employees take place in an economic atmosphere totally unlike that which exists in the private sector. In the private sector both employer and employee negotiate under the restraint of economic realism. For example, there is hardly an employer in the private sector who can stay in business and provide jobs if his labor costs get too far out of line with his competitors'. With government as an employer, employees perceive no such limitation. The taxpayer is always seen as able to bear more or, alternatively, the employees perceive a reduction in other expenditures of government as a source of funds for salary increases.

Mr. Speaker, governments also set the pattern for the whole economy to a much greater extent than even the largest private-sector employer. Thus government brings to the bargaining table responsibilities which are absent in the private sector. In the private sector, economic considerations alone dominate labor negotiations. In government, economic pressures are only one, and indeed I suggest to members of the Legislative Assembly might often be one of the lesser factors determining the results of labor negotiations.

For example, compare a plant that is shut down as a result of a strike to a government with its entire operations closed down as a result of a strike. Surely the pressures on government to resolve the dispute are wholly different in nature, in magnitude, and in scope from the pressures on the private-sector employer. Mr. Speaker, that leads me to the inevitable conclusion that government unions with the right to strike have a bargaining power totally disproportionate to the bargaining power of unions in the private sector.

Finally, in private-sector bargaining, government is present as a third party. It's present to regulate proceedings and to ensure the overall public interest is protected. In negotiations with its own employees, the government must not only be a negotiator but also that same third party.

I know this is a matter on which feelings will run deeply and honestly. I understand and recognize the

right to strike is a bargaining tool that is cherished by the organized worker. I simply want to say to the members of the Assembly that it was only after a good deal of soul-searching, thought, study, and consideration that we concluded that because of the differences — some of which are the most important ones, to my mind, that I have already outlined; they exist between employees of government and employees in the private sector — that, on balance, the interests of the people of Alberta will be better served by having labor relations issues between the government's employees resolved by binding arbitration, binding on the government, binding on the employees as is now the case, rather than have those issues resolved by strikes.

I wish to conclude, Mr. Speaker, by saying that I personally have the highest regard for the public service of Alberta. In my judgment they are often subjected to uncalled for and unfair critical comments. My experience has been that the vast majority are dedicated, able, hard-working people who are very conscious of their obligation to serve the people of Alberta. If they are not to have the right to strike, in fairness to them we must provide a system for resolving labor relations issues that is not only fair but is seen to be fair by them.

Mr. Speaker, I'll conclude by simply saying it is our intention to provide in Bill 41 the fairest possible labor relations system for the employees of Alberta short of providing them with the right to withdraw services or strike. In that I believe we have succeeded, and for that reason I believe Bill 41 warrants the support of the members of the Assembly.

MR. R. SPEAKER: Mr. Speaker, first of all I would like to say that bringing together the two acts that developed into Bill 41 was certainly a good move in itself — the first step. However, I would like to look at the concern or principle involved relative to the right to strike and discuss that particular point of view.

During my time as minister in the former government, one of my responsibilities as Minister of Personnel was The Public Service Act and the act with regard to Crown agencies. The other responsibility was to deal with the civil servants with regard to bargaining. I recall the historic steps mentioned by the minister in his remarks. During the earlier years, and I must say up to the year 1968-69, negotiations between the civil servants of Alberta and the government were on a very co-operative and open basis. It was a matter of sitting around a table, discussing what the benefits should be, recognizing the responsibility of government to those civil servants in that they must be dealt with in a very fair manner and receive adequate remunerations, but at the same time the feeling was, somewhat less than the private sector. Those were the terms of reference for some time.

However, in late 1969 and into 1970 discussions occurred with regard to the procedure. At that time we felt we should introduce the concept of mediation, which we did. As we recognize, we have gone from there to binding arbitration, to the act we have at the present time.

In discussing this whole concept, I would like to react to the minister's remarks as to why he feels the government cannot go along with the right to strike at this time. During my term and my responsibilities it was made very clear to me that the concept of the right of the Crown in determining salary for civil servants was a very sacred, traditional, and respected concept. However, in my examination and in my responsibility, as we move to the point of mediation I remember saying to my cabinet colleagues when I made that recommendation: the next step of binding arbitration should be one we consider very, very seriously, because when we move to that step, at that point in time the right of the Crown to determine the remuneration or benefits of government employees is different. The right of the Crown at that point in time is lost in determination. The minister did indicate that under the former binding arbitration cabinet had to finalize the agreement by regulation, but it was recognized that it would be in very, very remote situations where we would ever take that type of step.

Now this act has moved us to a point where we have eliminated that step of possibility of regulation. The right of the Crown has been completely eroded at this point in time. We have moved to a point where the Crown does not determine salary levels. Government determination is different. That old principle of the relationship between the governing body or the employer and the servants of the employer has changed.

When I examine the bill and this whole collective bargaining procedure on that basis — and I remember examining it in 1969 and 1970. I recommended to cabinet — but it was not made public at that time — that if we went to the step of binding arbitration, it would be my recommendation that we use The Alberta Labour Act in our negotiations and in our relationship with the employees of the province. I remember that Mr. Reirson, the Minister of Labour at that time, was in accord with that point of view. But we recognized that that was the responsibility that faced us during that decision-making process. Maybe unfortunately we didn't say that prior to the '71 election. Maybe it would have made a difference, and maybe it wouldn't have. But we didn't feel it was our responsibility to announce publicly that type of information.

So, Mr. Speaker, those were our attitudes. That was my attitude at that time, and I must say that at the present time I am consistent with that point of view. Certainly I have certain hesitations with regard to the strike clause in the public service. I think maybe we have hesitations about that within any labor or union group. It has implications we're not happy with as employers or as people in the private sector. Maybe we're not happy with that. But I think the facts speak for themselves at this point in time: that we are at the stage where maybe we haven't good reasons to avoid the conclusion of utilizing The Alberta Labour Act for anyone involved in the employee class.

I would like to react also to the earlier commitments of the Conservative Party. The letter that went to Mr. Smith in August 1971 has still not been clarified in my mind. At that time Mr. Smith was the president of the CSA. In that letter Mr. Lougheed indicated to the Civil Service Association — I believe the key line in that letter was that the same basic bargaining rights enjoyed by organized labor in the province would be extended to the Civil Service Association. To me that can be interpreted only one way. I would really appreciate it if that sentence was clarified in my mind, as to why that is being misinter-

preted and why there is a change in attitude at the present time. I'm sure the people in the Alberta Union of Public Employees would want to understand that point of view then and the point of view now.

I recall that type of statement at that time, and was very involved in organizing the campaign of 1971. I said to myself: I wonder if the Conservative party recognize the responsibilities they have taken on by making the statements with regard to binding arbitration and full bargaining rights. I think they were clouded at that point in time with winning an election and becoming the government of the province, forgetting the ongoing responsibilities they would have. Well today they have those responsibilities, and I think they must examine the follow-through at the present time.

Mr. Speaker, I'd also like to indicate that by providing the full opportunity of The Alberta Labour Act to the employees of government, we must build trust. We must trust that any actions they take are responsible ones. It's indicated at the present time . . . Let me just give an example. I think this is where we can give a lot of credit to the employees of this province and of the people of Alberta.

Back on October 14 there was a nation-wide strike. There was a call for a nation-wide walkout not only in Alberta but in Canada. But we found that something like 3 per cent of the Alberta public service left their jobs; 97 per cent stayed on the job. [Considering] the pressure they were under at that point in time, I think that says a lot about the public service of Alberta, about the responsibility they want to take. The strike clause we're so concerned about possibly will never be of concern and may never be utilized. But it is there in cases where it can be used just as it can in the private sector.

Mr. Speaker, from the point of view I have outlined — and I'm certainly willing to go into greater depth with regard to the right of the Crown and how that whole concept has changed; because I feel it has, and we have a new responsibility — I'm concerned about the presentation that has been made by government. This committee that was established to bring in this act started way back in 1970. We've combined two acts after seven years, and we've come up with not that much that's really new. It's just a rewrite of some of the same things that have happened before. The new thing to me, of course, is the Public Service Employee Relations Board that replaces the minister and removes the government one more step from that negotiation procedure. I think that is certainly an improvement.

But — as our group has examined it, examined our conscience, and examined our position [of] a number of years ago — we feel the government at this point in time is a little short in their concept.

MR. NOTLEY: Mr. Speaker, in rising to participate in this debate, I can agree with the hon. Provincial Treasurer in only two areas: one, Bill 41 is a very important piece of legislation; and two, we have been well served and are being well served by the provincial employees of Alberta. However, now we've got the parts we can agree on over, I want to move in to discuss some of my concerns about Bill 41.

Perhaps the place to begin, Mr. Speaker, is to add a comment to one already made by the hon. Member for Little Bow, with respect to the letter of August 13, 1971. The hon. Provincial Treasurer indicated it was always clear that this government at no time favored the right to strike. But when one reads the content of that letter, particularly within the context of the labor movement, there is really only one answer to what is meant when the now Premier says: "would give members the same basic bargaining rights enjoyed by organized labor in the Province."

Mr. Speaker, I noticed with a certain amount of admiration for political skill that in view of the concern that had developed over the first three and a half years of the now government, in 1975 we had the appointment of the task force just a matter of a few days — almost a few hours — before the Legislature was dissolved.

The appointment of the task force was probably an excellent step by the government. But it was a highly adroit step as well, because both the government and at that time the CSA were equally represented. Then shortly after the appointment of the task force, when this issue was diffused, the writs were issued. We now have the results of the task force report, which I've read very carefully — both [of] the government representatives, Mr. Minister, as well as the representatives of the CSA at that time, now the Alberta Union of Provincial Employees. Might I say that while the minister is correct that some of the recommendations contained in the letter of November 10 are those recommendations contained in this bill, where there is any dispute the government has chosen to side with the government representatives' report.

However, I want to make it clear that there is one important area where the government has not expressly followed the recommendations of the government members in the task [force] report, and that is with respect to the board which will be set up. I want to come to that in a few moments, Mr. Speaker. I go over this past history because there is no small amount of feeling among provincial employees in this province that while their case has been handled effectively from a political point of view, it has not been handled fairly. In closing his debate the minister suggested we must not only pass legislation which is fair, but which seems to be fair. I would suggest to the government that as far as the provincial employees of Alberta are concerned, there is no question about this seeming to be unfair. I suggest when one looks in some depth at the details of the legislation, more important than what it seems to be, it is basically unfair.

The important issue at stake in this question is whether we are going to accept the principle of collective bargaining in its largest sense. The Alberta Union of Provincial Employees have made it clear — never really changed their position, as the CSA or as the Alberta Union of Provincial Employees, since I've been a member of the Legislature — that they would like to come under the provisions of The Alberta Labour Act, with both the same rights and responsibilities contained in that legislation with respect to people in the private sector.

Mr. Speaker, they made a rather interesting observation not too long ago, in meeting with a number of provincial employees. They made the point that we have come a long way in our thinking — or should have — from the days of the master/servant relationship, and that while employees of the province are proud of their work, they consider themselves to be

employees of the province, not servants. As a matter of fact, as one woman put it rather well, if we're talking about servants, there are 75 servants of the province — they're elected by the people of Alberta. They are the public servants. But the question of the employees of the province is whether we accept the change from the master/servant relationship to one of a modern analysis and assessment of the employer/employee relationship.

That's important as a background, because if we're still convinced we are dealing with our servants I suppose one can't really extend the rights of collective bargaining. But if we see the employer/employee relationship in the sense that I think growing numbers of Canadians assess it, then the rights of full collective bargaining should be extended to provincial employees.

Let's look for a moment at this question of the so-called strike issue. I suggest it would be wrong to spend too much time on the right to strike because there are many other aspects of this bill which severely infringe the right of free collective bargaining, quite apart from that section outlawing the right to strike. I want to come to that in a moment.

Let's just take a look at the question of outlawing the right to strike. Mr. Speaker, I suggest for full collective bargaining to function really effectively, both sides need an "or else". We will sit down and negotiate, attempt to work through our problems, but at some point if both sides are going to bargain in good faith there must be a constraint, an "or else", a mechanism. Historically the trade union movement has recognized that the right to terminate services is the most effective "or else". On the other side of the fence the employer sees the lockout as his "or else".

Mr. Speaker, in looking at this legislation I notice that we have a $10,000 fine for a public employee going on strike. All right. That's the law. But, Mr. Speaker, I contrast that with a $5,000 fine under The Clean Air Act for a corporation that offends that legislation, or a $5,000 fine under The Clean Water Act. If an employee of an Alberta Liquor Board store goes on strike, we can fine him up to $10,000. If a major corporation is polluting a river system, the maximum fine is $5,000. Mr. Speaker, that says as much about the fines contained in our pollution control measures as it does about the rather Draconian fines contained in this particular legislation.

Mr. Speaker, when one looks at the experience of other jurisdictions — particularly the province of Saskatchewan, where the right of the public service to bargain collectively under the labor act has been recognized since 1944, there have been fewer strikes in that province than in this province. As a matter of fact, between 1944 and 1973 there were no strikes at all in the province of Saskatchewan.

I would simply say that the last thing the vast majority — 99.99 per cent — of the members of the Alberta Union of Provincial Employees would want to do is go on strike. I think they are extremely responsible people and that the exercise of that right to strike would be so remote and unlikely . . . but it is a right they are saying they should have as employees of the largest employer in the province. Whether or not it's exercised, one has to look at other jurisdictions. I suggest that in reading the reports of the government and the union representatives it would be very difficult to make the argument that where the right to strike has existed public employees have abused that right.

I think it should also be pointed out, Mr. Speaker, that we have legislation now, in the changes made in The Alberta Labour Act in November and December of 1975, which authorizes the Lieutenant Governor in Council to terminate any strike if it in fact involves undue hardship. We're no longer just talking about the danger to life and limb. The amendments made in 1975 have broadened the section of The Alberta Labour Act that allows Executive Council to terminate strikes. And we should all be aware of the fact that at any time, by simply calling the Assembly back into session . . . and I hardly think that our time is so vital that it would not be possible to call an emergency session of the Legislature to terminate a strike if that has to be done. There have been occasions in other provinces, in other jurisdictions, where that in fact has been done.

Mr. Speaker, I cannot accept some of the arguments brought to our attention today by the hon. Provincial Treasurer in outlining the reasons provincial employees should not have the full effect of free collective bargaining.

Mr. Speaker, let me move on from there. When I rose to speak, I mentioned that where there was uncertainty the government took the suggestions of the government representative on the task force — except in one very important area. That is the Public Service Employee Relations Board. On page 12 of the recommendations of the government members, they're very explicit. They talk about a three-member board composed of a neutral chairman, one representative representing labor after consultation with the Alberta Federation of Labour, and one representative from the government. I look in Bill 41 and see we have five members, but no commitment at all to equal representation.

When I look at The Colleges Act and The Universities Act and at various other acts where we specify who's going to be sitting on boards — if the government were really committed to equal representation from both government and workers, they would have said so in the act and would have explicitly followed the recommendations of their own task force for members. Small wonder then, that many members of the Alberta Union of Provincial Employees are a little upset. The powers of the new Public Service Employee Relations Board are very extensive. As I read them they offer the potential for considerable intrusion into the internal day to day operations of the bargaining agent.

Mr. Speaker, I'd like to go on and look at the whole question of binding arbitration, because the hon. minister in introducing the bill emphasized how difficult the decision was and that finally the government had concluded the only fair way to handle this question would be through binding arbitration. That may be true, but I look at the list of exclusions under the arbitration provision, that portion that will not be subject to arbitration, and we have such things as job evaluation, selection, promotion, transfer, layoff, appraisal of performance, or anything which would require the government to make physical changes either in total or in part.

Mr. Speaker, I see that the time has elapsed for this particular discussion. I beg leave to adjourn debate and reconvene at 8 o'clock tonight.

head: **MOTIONS OTHER THAN GOVERNMENT MOTIONS**

1. Moved by Mr. Stewart:
   Be it resolved that the Legislative Assembly request the government of Alberta to review the policy of lease assignment on public lands.

[Adjourned debate March 24: Mr. Trynchy]

MR. TRYNCHY: Mr. Speaker, on speaking to Motion No. 1 this afternoon, I appreciate the opportunity and must say that I support the resolution as stated in the Order Paper.

There are a number of questions, though, that I would like to pose, questions put to me by constituents. I wish to pose these questions for the minister, possibly for other members, and for the member who proposed this resolution when he closes debate.

I think the time has come for a review of policy in regard to leases and assignment of leases on Crown lands in Alberta. I say this because of the difficulties we have in my area where our leases consist of sometimes as low as 160 acres and upward. A 160-acre lease does not sound like a lot of land for, say, an operation in southern Alberta. But it's pretty important to the viability of the ranchers or farmers in the northwestern part of the province. A quarter here or 160 acres there means the difference between a viable operation and not.

Mr. Speaker, in the last number of years we have policies in regard to assignment of public lands that seem to vary from point to point. It would appear that in some cases the owner or holder of a lease will use it to personal advantage by being able to assign this to another party without any government approval. It tends to make the sale of one's private land a little easier when they can assign Crown lands along with the sale. It also stops ranchers and farmers in the local area from being able to pick up additional land because the leased land is automatically transferred with the sale of other property. I don't know if this is a type of program we should be supporting, but I know it's a type of program that should be investigated and set out more clearly than it is in today's policy.

In a number of cases we have leases that will lead to title. These are improvement leases. In five or 10 years, with improvements, the leaseholder can obtain title to this land. This has been a sort of easy way for some to obtain land and it's also proved a hardship for other people who want to obtain land and can't. When these leases lead to title they create some difficulties. I wonder — and I'm asked this question — should we allow this to happen? I say this because, what does it do? It provides, in some cases, some speculation. Title to land then leads to development, subdivisions, and so on. It has been suggested that we take leased land that leads to title — and I think we should.

I approve the concept of leased land leading to title on the condition that it's used for the purpose that was meant: agricultural use. When we allow these titles to take effect, we could place a caveat on this land and make it restrictive to agricultural uses. This caveat would remain in force and could only be changed by an order in council. I don't think it should be ironclad that the land could not be used for other than agriculture. But it should be pretty restrictive and should only be changed by order in council.

As I've mentioned, leases throughout the province have led to a profitable position for landowners who have sold their land and their lease along with the land. This has meant that in some cases ranchers and local farmers in the community were not able to expand because a lease was sold to a new owner who could have been from another country, or to a neighbor further away. It has left the viability of some ranchers and farmers questionable.

Mr. Speaker, I wonder — and I've had this question asked of me — the loss of funds that occur in this, are they a loss to Albertans? Are they a gain to the rancher or farmer? They say to me, who gains by this transaction? How do we monitor it? And who loses? There has been some talk that we should consider allowing more of our Crown lands to be sold, not to hold on to the 52 or 55 per cent the government presently owns; that we allow these leased lands to come up for tender and be sold either at public auction or closed bids so the ranchers who want to expand may be able to do so.

In some cases — and this has been brought to my attention — we have very little control on how these leases can change hands. A submission is made to the Crown that the lease should be changed from one party to another. More often than not, this is approved without any question. As I mentioned before, it leaves some of the farmers and ranchers in the community somewhat at a loss as to how to understand the act, and how to react and try to stop this paper procedure and get more land for themselves, to become viable in their operations.

In some cases we also have the opposite, where the leases are cancelled with very little or no notice at all because the lessee has not lived up to the conditions as set out on the lease. I think this is fine; it should be used in certain cases. It could be used where the lessee is not using the land, has no intentions, and is just holding it. I think this land should become available to other interested parties. But when a lease is cancelled because of lack of communication — and this seems to occur now and then — I think we should probably have a more flexible approach to this type of cancellation.

Mr. Speaker, we do not have a clear-cut policy on leases out in the wilderness areas, where the grazing season is over and we have other uses planned for the land. I speak of seismic companies that put through lines, and oil companies that drill on this land. They move in without any consultation with the leaseholder. There is damage to fences, roads, bridges, and crossings — which of course are not meant for heavy equipment. We have a number of complaints coming to us that the government either does not have a clear-cut policy or has a very loose policy in this regard. I hope this will be looked into if the resolution passes. I hope it does, because as I've stated before, and in speeches made in this House by a number of members — and they've made some very good points on policy for lease land in Alberta.

Another thing that affects my area and a lot of northwestern Alberta is hunting. In some cases the hunting season on leased lands is early enough that the land is being used for grazing at the same time as it is for hunting. We've had a number of cases where animals have been mistaken for wildlife, and shot. I'd like to suggest that we might work in conjunction

with the Minister of Recreation, Parks and Wildlife so the areas open for hunting would be held back in the grazing areas; possibly have no early hunting season in September and remain closed to hunting until November 1, when the cattle are removed from the grazing leases.

Another thing that occurs is winter sports. There is skidooing, skiing, and all this takes places very close to communities where there is lease land available. The owners of the leases are not clear whether they have the right to restrict these sportsmen or hunters from using the land. There has been some confusion there.

In all, Mr. Speaker, I think a review of our leasing policies is justified now. I support the resolution as presented by the Member for Wainwright. I know that a number of important requests have been made and I hope that the minister involved in Crown lands will take into consideration some of the comments that I have expressed. I'd be willing to sit with the minister, as I'm sure other members will, to help bring up a policy that is beneficial to Albertans, and beneficial to local people in particular, to get Crown lands into their holdings to make their operation viable. I hope that this resolution will be given support on conclusion.

Thank you, Mr. Speaker.

MR. BUTLER: Mr. Speaker, I would like to make a comment or two this afternoon on Resolution No. 1. Grazing leaseholdings are a very important part of our agricultural system. They are not a great part of our Crown land. The land held under long-term leases — this does not include grazing reserves, forest reserves, or grazing permits, this is what is held by individuals and grazing associations under long-term lease — is 8,800,736 [acres].

Mr. Speaker, at the outset, I would like to notify all the members of the House that I run a ranch in the special areas. The special areas are 72 per cent held under leasehold, so leasehold becomes a common form of tenure. I do operate lease. In most operations in the special areas, the largest part of each operation is lease.

First I'd like to make a comment or two on what the hon. Member for Whitecourt has said. I agree with him that every quarter section is very important, particularly if a man has a quarter section where he can get rid of his cattle during the summer, while his stubble fields are being [made] ready or he can bring them back out in the fall. Every quarter section is very important.

I disagree with him on one point. He said that lease can be transferred without government approval. To my knowledge, this is not so. The minister has to approve every lease transfer. Lease-to-title is something that I have never heard of but I'm sure the people in my area would go for it. I think that wouldn't be hard to sell. And anyone buying or holding a lease must be a Canadian citizen. I think those are some very important parts.

I'd like to go back for a minute, Mr. Speaker, to the beginning of the cattle industry. When the cattle industry first started in Alberta the country was open and the land was here for the taking. The open range was free to most people and was utilized as such. Cattle empires rose and fell according to their luck, their management and whatever fortune happened to befall them.

But the leasing practice was well under way before [what] we know as Alberta was ever a province. Before Alberta was a province there were various ways that homesteads were let out, sometimes to a developer, in large tracts of land. He brought homesteaders in and homesteaded it out. Other places, they got the homestead from the province.

But the practice of grazing leases was well established before Alberta was a province, while it was still a lot of open range. The hard winter of 1906-07 changed this somewhat. A lot of outfits went broke and settlement was becoming greater. It became quite clear to most cattlemen that the days of the open range were over. From that point on, ranches developed on a more individual basis and on a smaller scale.

At that point the government at all levels had made land studies and laid out large chunks of the province that were suitable for homesteading, and other areas that could be better utilized as grazing. Anything that was utilized as grazing and could be suitable for lease could not be bought. They had decided in their wisdom not to sell it to the ranchers although at different points in time overtures have been made by the stockgrowers and others to buy this lease.

In many cases what actually happened in the southern part of the province was that land surveyors and soil experts made errors, and perhaps management had something to do with it. Homesteads were let out in places where they were not that good or people came into the country with very little experience. They went broke. The more successful men bought them out and eventually picked up some lease or maybe had some lease in the first place. So what actually happened in the south: in many cases the homesteader either went broke, in which case it came up for tax sale and somebody bought it, or he sold it direct to another rancher or farmer. So what happens is that we have parcels of deeded land scattered all through the lease land in most of the southern part of the province.

The ranchers who operated for the most part on lease land felt a little insecure. As I said, at different times they have tried to buy the land. The practice of having a right of assignment became common. I think it's only right, because if you're going to look after a piece of grazing land the way it should be looked after, it does take some expertise, practice and know-how to run it in a dry area and keep it the way it should be. You should leave at least 45 per cent of your grass at the end of each grazing season. In some cases people come into that southeastern part of the province and say, my God, there's not much here. But then 45 per cent of nothing is still not very much.

But it does take real husbandry and a lot of care. If you're going to continue with that, I think a person should have relatively good security and should also retain the right of assignment, because it becomes part of an economic unit that is built up. His deeded land is worth very little without the lease. Equally, the lease is worth very little without the deeded land.

We made a change last June — in what seems to be creating some of the problems — mostly in the assignment fees. We've had some complaints about it. But in my opinion, it's working very well and will continue to work very well. I think the system of

assignment has worked very well throughout the years. But the way we've changed these fees — everybody will remember that they used to take half the consideration. This took a lot of work and calculation to establish what part was applied to the lease when a unit was sold. In many cases a lawyer would have money in his trust account for a year or more before this thing got straightened out and he could pay it out.

So I think it was a step forward when we established a regular, set fee for the assignment. I think it made the regulations a lot more clear. It cut out some red tape, and in my opinion, this must be a positive.

It has been said that with the new regulations, the government doesn't get as much money out of the assignment as it should. But it must be remembered that there is not nearly the expense involved either, because there is not the lease inspection, not as much work, not as much bookwork to be done. It can go straight through. I think this must be an improvement.

Some have said that the new regulations have increased the price of lease, Mr. Speaker. But I'm sure there are other reasons for the price of lease escalating since that time. There's been an upward escalation of all lands. I think a court ruling of a few years ago that the capital cost of a lease could be written off against your income tax during the life of that lease has contributed a fair amount to the cost of lease. Anyone who's in the tax position will be apt to go out to look for a piece of lease that he can write off.

It could be argued that years down the road if he sells that piece of lease or reassigns it to someone else, what he has written off will be added to the capital gains. This is true. But many are willing to gamble. Who knows what will happen in 20 years, what the capital gains tax will be? Or maybe he'll never assign it again. Although I realize it's passed by the courts and is legal, I don't agree with it. I think that if we could change that one aspect, we'd bring the leased land back into its proper perspective.

I think the amount of money that has been loaned out for the purchase of lease, both by the Farm Credit Corporation and by the [Agricultural] Development Corporation, has had an escalating effect as well. In our area, I know that before the Farm Credit would take lease for security, lease was not worth that much. You'd have quite a job getting a few dollars an acre for it. But when the Farm Credit moved in and would take lease for security, and was loaning money for lease, it put several farmers on the same basis to purchase this land. It made money available and certainly escalated the price. It's been escalating ever since.

I'd like to speak for a moment on the Association of Municipal [Districts] and Counties. In my association with lease throughout the years, the Association of Municipal [Districts] and Counties — and I don't mean to be unfair with them — has continually been unhappy about the leasing situation in one way or another. They were sure they were not getting enough out of the lease, and they probably were right.

In the early '60s, partly due to their pressure and partly due to co-operation from the stockgrowers, the province was divided into three zones: southern, central, and northern. The royalty in the southern zone was increased at that point from 12.5 per cent to 20 per cent. In the central zone it was increased from 12.5 per cent to 16.66 per cent. In the northern zone, it remained at 12 per cent. Out of this royalty, which was calculated on the formula established at the Calgary market in the last eight months of the year with grass cattle, half of that consideration was passed from the government back to the municipalities in lieu of taxes. They were still unhappy. They thought they were still not getting enough out of this land.

So in the late '60s — it would be '69 or '70, I believe — the regulations were changed again. The municipalities had been pressing to have this leased land assessed and taxed the same as deeded land. This was granted in '69 or '70. The half of the royalty that normally went to the government was still to go to the government. So the lessee had to pay the taxes the same as he would on deeded land, and pay the portion to the government.

I was with a couple of delegations which came to Edmonton [and said] it was going to increase our cost considerably. I can well remember several arguments. At that time Edgar Gerhart was the Minister of Municipal Affairs. Being from the special areas, we came under Municipal Affairs. At that time, we pointed out many other benefits, besides the royalty the rancher was paying, that the government was getting from leased land. So he cut in half the portion of the royalty that the government was getting. Since then, it's been brought up to two-thirds. So they're now getting 75 per cent of what the royalty would be. But it still increased the cost to the rancher considerably, because he was now paying taxes on it the same as was assessed, and he was paying the taxes the same as the deeded land.

I think that once again the municipalities and counties are coming back. I've had discussions with some of them. They're still not that happy with this new assignment fee. They think it's escalated the cost of lease. Maybe it has, but I'm not ready to buy that. I don't really know why they're that concerned, because no matter what it is, it doesn't put any extra money in their pockets.

I think they're getting a pretty good deal now because, as I've said, they're getting taxes from this land the same as deeded land. There are large tracts of land both in the foothills and in the southeast part of the province, and in most places where leased land exists, no services are required. No services are wanted, and none is supplied. Yet they're collecting taxes off that land, so I think they're getting a pretty good deal. I don't think they really have any room to complain.

Mr. Speaker, I've heard it said many times that the rancher who is ranching on leased land is getting quite an advantage. This may be so. But if you look back to the rancher who had the foresight to get a deed to his land when it was available in the early days before they cut that off, that rancher today is really on top of the world.

I can compare two ranchers in the southern part of the province. Both of them were very well-established and well-to-do at one time. One of them was operating on deeded land that he had the foresight to get while it was available. The other operated on leased land. Then when the regulations were

changed, where they would only renew enough lease to run 600 head of adult cows, the rancher operating on leased land was in a pretty precarious position. Today there is no comparison in the viability or creditability of those two ranchers when it comes to dollar bills. I know which one the banker would rather talk to.

So I think the rancher who was fortunate enough to get his land deeded when it could be got at agricultural prices is the man who's on top of the world today. At some point in time the people of Alberta are the ones who are going to benefit from the appreciation of this property that the rancher had been making a very good job of looking after. As far as the assignment fee, I don't think the people of Alberta really care who has the land leased as long as it's well looked after.

The rancher who has the land leased is responsible for its welfare. He's got to see no timber is removed, no damage is done to it, and he has the responsibility of looking after it. So the royalties the rancher pays to the government — I've been in this argument many times before and I'm prepared for it many times in the future — is only part of the benefit that the government and the people of Alberta get from this lease land. The game habitat has been well looked after, the grass in most cases is well looked after, and will be as good or better 50 years from now, because it's all a renewable resource.

They have the accessibility for hunting, picnicking, and one thing or another as long as they look after it. But don't forget that the lessee is the one who is responsible. So I think wherever possible his permission should be acquired first. It's not that hard to get, particularly if you're going hunting. If they drop in to ask a rancher if they can hunt on his lease he will be a help to them rather than a hindrance because he'll probably give them guidance where to go and possibly guide them out of fields where his cattle are being held at that time.

As a young man, I had the privilege of working with a number of these ranchers throughout the years. I spent 10 years as a forest officer along the foothills, so I've ridden and seen a lot of these lease lands that we're speaking of now. I've got to know that every one of those ranchers are environmentalists and conservationists, and do a pretty darned good job of looking after their range, because if they don't, there is no quicker way to go out of business than to abuse a piece of range.

In summing up, Mr. Speaker, I'd like to say once again that ranchers are conservationists, and having said that, I would like to point out that I think 98 per cent of the sportsmen and hunters are pretty good people. When I was an officer I think 98 per cent of them were good sportsmen and looked after everything they came by. It's the other 2 per cent who cause our problems.

In my opinion, Mr. Speaker, with our lease assignment program at the present time, I don't really think we have a very big problem unless we make some changes and create one. If we can get the lending organizations such as the Alberta Development Corporation and the Farm Credit Corporation to lend money only when they're buying an agricultural unit and when the price is at the agricultural value . . . I can cite many cases where it is not so, where they've gone well beyond the agricultural value, and all they may have done is get some young man into trouble.

The other point is that if we can get the income tax people to withdraw the right to write-off the cost of lease against income, I think this will bring it back in the proper prospective.

In summing up, I'd like to point out I'm sure the seller of a piece of lease knows what he's selling, the buyer knows what he's buying. He knows he's not buying the land; that he's buying the piece of paper that says he has the right to use it under the regulations laid down by the minister. If he overgrazes or abuses it in any way, if the minister doesn't bring him into line mother nature soon will.

I would like to point out that I believe we should get back to the 20-year lease. About all the 10-year lease does is double the office work because every lease will be renewed every 10 years instead of every 20 years. It tends to take away from the security of the operator. The cattle business is a long-time business. 'Inners' and 'outers' don't last that long. If you're operating a cow/calf outfit on leased land it's a long-term business that takes you pretty nearly 20 years to get established. So I think the 20-year lease is far more desirable than the 10-year.

I would like to point out that I have faith in the minister who is handling this. We've sat down and had many talks over it. I'm sure he will not make any moves or any changes to create problems that we don't need. I'm sure he will sit down and discuss this thing with us, and that any changes that need to be made will be made. But with his co-operation I'm sure no changes will be made that are not really necessary. In the southern part of the province, lease is part of the integrated economic unit and it's been built up throughout the years. I hope we do nothing to destroy the economic units.

MR. ZANDER: Mr. Speaker, I would like to make a few observations. The Member for Hanna-Oyen has certainly outlined the concerns of the owners of the land. I, as well as all hon. members should be, because we are the custodians of the Crown land of this province. There is no doubt the ranchers in the south are taking care of the grazing and are not overgrazing. I think mother nature in her wisdom will take care of it.

I would just like to draw a few conclusions on two or three items that were omitted; that is, the right to have these reserve lands — and they are Crown lands — and the right to sell Crown leases. Nowhere in the province, I believe, except in the southern part, can we assign a Crown lease other than by cancelling the lease and another person taking the assignment. This has been my experience in the area around Edmonton, and probably north as well. I wonder where the difference comes between the operator of a grazing lease assignment in the northern, central and southern parts of the province. I have never been able to put my finger on it. I wonder whether the minister in his wisdom would review this part of it when they carry out the review. Certainly nobody in my constituency who has a grazing reserve can assign that grazing lease to anybody for any number of dollars.

As I understand the leasing procedures in the south, if I as owner of deeded land have an assignment of two or three sections of public lands I can sell that right to somebody else without event — well

maybe with notifying the Crown but I don't think the sale can be stopped. If they're going to follow that procedure, why not make it equal across the province?

Another thing I want to point out, Mr. Speaker, is the cost of grazing. It is a recognized fact that people in the northern and central parts of the province get utilization of this land for about four to four and a half months, while the utilization in the south is almost six months. Yet the leases are identical, and probably more so in the north than in the south.

Another thing: some time ago in Calgary, in reviewing surface leases granted by the Surface Rights Board — leases to companies to enter and drill on Crown [land] — in most cases we found the Crown only retained 25 per cent or 33 per cent, and the balance went to the people who had it leased. Mr. Speaker, if I recall the procedure correctly, if I am the owner of a piece of land and somebody drills on my land, although I may have it leased the lessee receives only the damages to the land. In this case I think this should be turned around. I don't think it's fair that the Crown, of whose land we are custodians — that the lessee of the land should get more out of the surface rights than does the Crown.

I think it's time we reviewed all uses of Crown lands, whether they be mineral leases, timber leases, or grazing leases.

I think it's time we reviewed all the uses of Crown lands, whether they be mineral leases, timber leases, or grazing leases. I can recall, and all hon. members will too . . . If they're interested in it, they can go to the Surface Rights Board and have a look of some of the Crown leases. Some of the Crown leases are going to our oil industry for $37, $25, $8, $12, $15, and down the line. I don't think it's fair. We are the people who are the custodians of Crown lands and are supposed to be guardians of the people's property. I think if the landowner receives $100 an acre from an oil company adjacent to it, the Crown should receive $100 an acre as well. Because who are we to say that the difference in land — because it's the Crown it should do it for less.

Mr. Speaker, I certainly hope that when the review is done, we review all aspects of the use of Crown lands, whether they be grazing, timber, or mineral leases. I think it's time we do it.

MR. STEWART: I beg leave to speak on this in closing the debate, Mr. Speaker.

MR. SPEAKER: May the hon. member conclude the debate?

HON. MEMBERS: Agreed.

MR. STEWART: Mr. Speaker, I'd like to say that I'm pleased [so] many members took part in this debate and expressed views from different areas across the province. I would like to answer a few things in closing; and recognize the fact that as things now exist we have several different forms of handling grazing land in this province, that we have leases, permits, and reserves, and that each of these is handled in a different manner. [We] also must recognize that the royalties paid on leases are based on a 12-month period, regardless of what area the lease is in. The hon. member who suggested that there was a difference in assigning leases in southern Alberta and in his area was not recognizing the fact that he was talking not about leases but grazing permits, on which you do not have an assignment, regardless of where they are.

I think we should recognize that the Crown land in this province belongs to all the people of the province — and we are the custodians and the administrators of it — and as such it should be utilized in the best interests of Alberta. As you go across the province there are many varying conditions, many reasons why the same set of circumstances would not apply totally across the province. We have the special areas in our province that historically were brought into that situation because of climatic conditions, and in those particular areas we have special restrictions that are very necessary because of climate. During the drier years of the thirties a lot of that land became almost a desert, and as a result special areas were declared. We have very strict use of that land in that particular area at this time, and I think this has been a case of good husbandry of a situation that could have deteriorated much more than it did.

I think we've got to recognize that the multiple use of a lot of Crown land is very necessary to give all Albertans the opportunity to have recreation in some of the nicest parts of our province, both for hunting and for recreation purposes. I think multiple use is a very important part of our lease and grazing system. In my experience, as some of the other members have said, 98 per cent of the people are very responsible, whether they're hunters, recreation people, or people who are just crossing property. I have never been a holder of a government lease but I had privately-owned ranch land. I found that 90 per cent of the time people were very co-operative as far as recognizing certain factors, that gates must be kept closed and various things that . . . leaving the property in the way they found it.

I think any changes in our lease-assignment policy should give due consideration to historical situations, recognizing that not all areas are the same but that there should be a review of the total lease-assignment situation where there are relative differences. I'm thinking particularly of some of the better ranch land in southern Alberta that is finding lease assignments of very high figures and realizing that the province, as custodian of the land, is entitled to a higher share of assignments. If land is worth that much from an assignment basis, one of two things has to be wrong. Either our rates are not right, or people are using this as an opportunity to buy their way into a market where all Albertans may not have an equal opportunity. I think these things should be considered and possibly adjustments made in our program.

With those thoughts, Mr. Speaker, I would beg leave to conclude debate.

[Motion carried]

MR. HYNDMAN: Mr. Speaker, before calling it 5:30, this evening at 8 o'clock we'll continue with second reading of Bill 41, then if there is time probably continue on second readings of bills 30, 34, 43, 48 and then committee study as on the Order Paper.

I move we call it 5:30.

MR. GHITTER: Mr. Speaker, might I have the consent of the House to revert to Introduction of Bills?

MR. SPEAKER: May the hon. Member for Calgary Buffalo have the leave he has requested?

HON. MEMBERS: Agreed.

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

Bill Pr. 1
An Act to Incorporate the
Alberta Real Estate Society

MR. GHITTER: Mr. Speaker, I beg leave to present a bill. An Act to Incorporate the Alberta Real Estate Society.

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

MR. SPEAKER: Does the Assembly agree to the motion by the hon. Government House Leader?

HON. MEMBERS: Agreed.

MR. SPEAKER: The Assembly stands adjourned until this evening at 8 o'clock.

[The House adjourned at 5:27 p.m.]

[The House met at 8 p.m.]

MR. SPEAKER: Would the Assembly come to order.

head: **GOVERNMENT BILLS AND ORDERS**
(Second Reading)

Bill 41
The Public Service
Employee Relations Act
(continued)

[Adjourned debate: Mr. Notley]

MR. NOTLEY: Mr. Speaker, to carry on from where I adjourned debate several hours ago, I'd like to take a few moments this evening to review the powers of the Public Service Employee Relations Board as far as Bill 41 is concerned.

As I mentioned before one of the concerns I feel about this board is that in setting it up we have not even followed the precise recommendations of the government representatives on the task force, who made it very clear in their recommendation to the government that one representative should represent the worker and one the government, and that the chairman should be neutral.

As I look at not only the particular section dealing with the board, but in many ways the entire act, one can describe much of it, Mr. Speaker and Mr. Minister, as an example of overkill. For example, let's take a look at the fines. I mentioned the comparison between The Clean Air Act and the fines contained in this bill. But perhaps a more accurate comparison would be the difference between the fines contained in Bill 41 and The Alberta Labour Act as it relates to individuals who are forced to go back to work and don't. Under the terms of this legislation, the fine is $10,000. That's $10,000 for anyone, an individual worker or a leader of the AUPE. Under the terms of The Alberta Labour Act the fine is $1,000 for an individual worker. So we have a very major disparity between the fines outlined in Bill 41 and those contained in The Alberta Labour Act.

Let's take a look at the new board we're establishing. Unlike the Board of Industrial Relations, the chairman of the Public Service Employee Relations Board has enormous authority and can in fact exercise the powers of the board — delegated I guess, but exercise those powers.

Moreover, when one looks at the question of what can be arbitrated, I think a very important point has to be made, Mr. Speaker. Under The Alberta Labour Act, if two parties wish to arbitrate they can undertake arbitration without going through the Board of Industrial Relations. But under the terms of Bill 41, the new Employee Relations Board will determine whether arbitration will occur.

Of course when one looks at the question of the strike, it's not only a matter of a cessation of work we're looking at here, but "concerted activity designed to restrict production". In other words, a work-to-rule campaign could be interpreted as a strike under the provisions of Bill 41, with the penalty of $10,000 being meted out.

Mr. Speaker, I'd like to move on from the question of the Public Service Employee Relations Board itself to look at several other areas of this legislation. When the Provincial Treasurer spoke, he attempted to suggest — and I think I'm paraphrasing him correctly — that to a large extent, with the exception of the right to strike, this bill represents a consensus. He cited the letter of November 10, 1976. But I suggest, Mr. Speaker, that if one talks to the labor representatives on the task force, one gets the impression very clearly that much of what they agreed to in the letter of December 10 was done within the framework of a very strong feeling that provincial employees should come under the provisions of The Alberta Labour Act, and that that is the caveat that should be registered if we are going to talk about those sections of the task force report both parties signed.

Moreover, as I mentioned before, we find that the whole area of arbitration itself is reduced because of the exceptions — everything from layoffs to rather important questions. I just note from one document the AUPE prepared, and I checked it in the act:

> . . . anything which would require an employer to provide, acquire, purchase, construct, erect, extend, enlarge, repair, improve, form, excavate, operate, reconstruct, replace or remove any real or personal property at the expense, wholly or partly, of the employer.

Mr. Speaker, that isn't subject to arbitration. But it is important for members to understand what we're doing in this legislation: if we're going to talk about health and safety that is one of the areas which, in the labor movement as a whole, is clearly a negotiable function. But we're not even making that arbitrable. There can't be any strike over that, Mr. Minister. To a large extent there can't even be any

arbitration over that, because almost anything that would relate to health and safety would be excluded under this provision. I know this is getting into the details of the act. Quite frankly it's one of the areas I feel very concerned about.

Mr. Speaker, let me conclude my remarks by looking at the general question of whether there should be a distinction between provincial employees — people employed by the government of Alberta or its agencies — on one hand and employees of the private sector on the other. The government members of the task force set out three basic arguments. The Provincial Treasurer trotted out one of those arguments today, and added a fourth. I want to take just a moment to examine the three arguments of the task force.

The first is that basically a strike of public employees is a strike against society as a whole, not against an individual employer. Mr. Speaker, I would suggest to members of the Assembly that society as a whole not only has rights but we have very clear obligations to make sure those people who work for the government — that can be defined as society as a whole — are treated fairly. Beyond that it would seem to me, in reading the arguments of the task force, that if the public has to be protected from provincial employees having the right to strike, what about municipal employees? They also are working for the public sector.

AN. HON. MEMBER: Good idea.

MR. NOTLEY: Somebody over there says, good idea. Well, Mr. Speaker, I think that would be an even more retrogressive step than we're taking today. That is one thing left unsaid in the minority report or the report of the two government members of the task force. I suggest that employees of the public — whether federal or provincial government or the municipalities — should have the same basic rights as people employed by the private sector.

The second argument — this is one of the arguments the Provincial Treasurer pointed out — is that government sets a pattern as an employer. Because the government is responsible in a general way to the taxpayer, but not to the profit motive, somehow it would be easier to settle. That would mean higher wages, which would have a domino effect on the rest of the economy. The only problem with that argument is that it really isn't borne out by the evidence. The evidence is very clear, Mr. Minister. If you look at the latest statistics between 1968 and mid-1975, the increase in salaries among public servants in the largest sense — federal government public servants, public servants in provinces who have the right to strike, municipal public servants who have the right to strike, and those public servants who don't — has trailed substantially, some 10.8 per cent, behind awards made in the private sector. So, Mr. Speaker, the suggestion that we cannot set out the right of full collective bargaining with the attendant right to terminate services because somehow this would have a ripple effect on the economy is just not borne out by the evidence.

The third point the two members of the task force attempt to make is that government services are all essential. In introducing the act the minister pointed out that there is a difference, and some difficulty in describing what is an essential service. But I notice, as a result of Bill 41, that our communications systems — employees of Alberta Government Telephones — are not considered an essential service and will have the right to strike. On the other hand, the employees of our liquor stores are considered an essential service. The minister is laughing, and I'm sure many people may find that rather funny. But unfortunately it indicates that the ambiguity in the law still continues. If liquor store employees go out on strike, we have a $10,000 fine. But employees of AGT, which is basic to the communications network of the province, have the right to strike. It's this sort of glaring contradiction which still exists, Mr. Speaker, that makes a lot of people wonder about how much time the government set aside to think their way through this legislation.

The final point I'd like to make is to deal with the minister's comment about the work of the public service. He outlined two examples: what would happen with respect to a drought; and what about firefighters, if life and limb were not endangered? I was rather amused to hear the minister use these two examples. He no sooner finished speaking about them, which would indicate total irresponsibility, when he got into the one part of his speech that I agreed with, outlining how responsible our public employees are. Mr. Speaker, first all the native firefighters are not now members of the Alberta Union of Provincial Employees — I don't want to quibble over the example. But even if they were, the tradition of the public service being what it is in this province, the suggestion that they would allow a forest fire to rage unattended is slightly overdrawn, to put it mildly.

But let's take that example, Mr. Speaker. Let's ask ourselves what would happen in the case of certified firefighters who went out on strike. The cabinet now has the power to terminate the strike under the terms of The Alberta Labour Act. They don't even have to call the Legislature. The section dealing with unreasonable hardship would give them all the authority they need. In the totally unlikely event they did not have the power to exercise the authority in The Alberta Labour Act, they could call the Legislature back and terminate the strike, whether it was a drought or this far-fetched case of people who have a reputation for being responsible somehow totally ignoring their public responsibilities.

So, Mr. Speaker, might I suggest that if either of these two examples were in fact the case, simply having legislation saying you can't strike wouldn't solve the matter. If you've got public employees that irresponsible, Mr. Minister, waving Bill 41 under their noses isn't going to stop them from doing an irresponsible thing. Quite frankly I believe both examples are so far-fetched that they don't really make the point.

In this debate, Mr. Speaker, I suggest the onus is upon the government to show why it is not possible to extend the full rights and the obligations of free collective bargaining to all employees in the province of Alberta, including provincial employees.

I conclude my remarks by just reminding the members of the government that in 1969 the Canadian government task force on labor relations said:

> The acceptance of collective bargaining carries with it a recognition of the right to invoke the economic sanction of the strike and the lockout.

I submit too that if one wants to look at the various discussions which have taken place in the International Labor Organization, again the recognition is very clear that the right to terminate one's services and the right of lockout — those sorts of economic sanction — are fundamental if collective bargaining is to work.

Mr. Speaker, the only argument presented to us by the hon. Provincial Treasurer is that no, we cannot take a chance on the right to strike; instead we have chosen the route of arbitration. But they have not chosen the route of arbitration across the board. Members should realize that. When one looks at the exceptions to arbitration, where the decision will still be made on a unilateral basis, we have a long way to go. When one recognizes that the government members on the task force suggested a worker representation of one on a board of three — one from the government, one from the workers, and a neutral chairman — that has not been written into the act. The minister can say, we can administer that; it can be our general policy. But it should be written in the act so people know the government's intentions in a precise way.

Mr. Speaker, as a result of this legislation I notice we are exempting the employees of the Legislature office and cabinet ministers. I'm not surprised, because after Bill 41 is passed it may be difficult to find too many Tories in the Alberta public service. [interjections]

MR. YOUNG: Mr. Speaker, in rising this evening on Bill 41 . . . [applause]

I didn't know I was going to be that good this evening. Thank you anyway. [interjections]

Mr. Speaker, I'd like to begin on a challenge which has been levelled, particularly by the hon. Member for Spirit River-Fairview but also by the hon. Member for Little Bow: the allegation that this government and our Premier reneged on a commitment taken in 1971. The statement has been offered that in fact a commitment was made in correspondence to Mr. R.C. Smith on August 13, 1971, and that it has not been lived up to.

I don't think one can do justice to that correspondence without also having reference to the correspondence which preceded it, which was from Mr. R.C. Smith to the then Leader of the Opposition.

I'd like to begin by outlining one of the sentences in the correspondence from Mr. Smith under date of July 27. He's speaking of the changes the Civil Service Association of Alberta was seeking at that time. He says, "One concerns required amendments to present legislation to provide full bargaining rights to the Association." He then goes on to list the major items: first of all, a process providing for certification of a proper bargaining agent; secondly, alternative dispute settlement provisions allowing for binding arbitration — for binding arbitration, Mr. Speaker, no reference to the right to strike as we've had thrown at us this day; thirdly, the establishment of a staff relations board; fourthly, a grievance procedure. He goes on in three other paragraphs of the letter to talk about some other minor problems.

Responding to him before voting day in 1971, the present Premier referred point by point to the points raised in the letter from Mr. Smith. Point by point. He deals with each point, and he deals with them in the context in which they were raised to him by Mr. Smith. To Mr. Smith in that letter in August, full bargaining rights meant a provision for binding arbitration. The response was clearly the same.

MR. CLARK: You're stretching, Les.

MR. YOUNG: I'm not stretching, hon. members. It's right here in black and white in the correspondence. I have it all. [interjections]

Mr. Speaker, there is a great desire on the part of the hon. members to be in opposition to this bill. This afternoon we witnessed the valiant struggle by the hon. Member for Little Bow not to fall off the fence while he walked along it for a short distance. It was a valiant struggle, but it was hardly coming down very firmly on one side or the other of the situation. The hon. Member for Spirit River-Fairview, with his political affiliations which are fairly obvious to some of the key officials who are represented in this association — not to the membership, but to a couple of the key officials — surely had to make a position which was fairly obvious and was to be expected. He made that position. But let's not muddy the water by bringing in suggestions that there's been a reneging on a promise when clearly, if one looks at the two letters, there has not been. I challenge any member of the Assembly to go over that correspondence point by point. He will find that this government lived up to the letter of every point in those communications.

Mr. Speaker, some very positive comments about our public service have been made during this debate. I'd like to add my comments to those. I think we have a very dedicated public service. I think they have helped build a strong province. As nearly as I can discern, they have served without favor and without fear under whatever government of the day. I think they deserve the recognition which I'm sure all members of the Assembly give them.

Mr. Speaker, the challenge before us is to try to provide a fair mechanism to deal with those employees as an organized group. In introducing second reading this afternoon, I think the Provincial Treasurer gave a very clear and fair description of the evolution of the relationship of government to those employees. The hon. Member for Little Bow added further to that historical development. The hon. Member for Little Bow was very critical. He said Bill 41 didn't contain very much that's new. Mr. Speaker, I don't know what greater compliment he could have paid. In suggesting that, the hon. member was admitting that this legislation carries forward, not only by statement but by action, the commitment to a principle that has been evolving over the six years of the present government and — I accept his word for it — which existed with the former government. What greater commendation could there be for the conduct of a government or governments than to have a statement like that, especially from a member of Her Majesty's Loyal Opposition? Surely that indicates we have not broken faith, that we have been fair, that the system has been flexible, and that in fact it has evolved naturally and positively over these years.

Surely we would have had great cause for concern if we were presented this evening with a revolutionary document and were doing a 90-degree change in direction in our relationships with organized employees. Surely that would have been a

grave concern, because either we would be departing on a road to injustice to those employees or would have been on a road of injustice. The hon. Member for Little Bow has confirmed, and I agree with him, that we are continuing on a path of natural evolution which bodes well for our relationship with our employees.

Mr. Speaker, on the positive side of this legislation, I think it clarifies some anomalies. It updates the evolution we have been moving toward. For those like the hon. Member for Spirit River-Fairview, who seem to be making the case that we should have been putting the public service under The Alberta Labour Act — surely he sees the resemblance in many respects of Bill 41 to The Alberta Labour Act. In very many respects the parallelism is much greater than it ever was under the former legislation — much greater, much cleaner, much more streamlined. Those are all positive developments, which I think reflect our concern for a good relationship with our staff.

Mr. Speaker, I guess it's not possible to deal with this legislation without dealing with the capacity to strike. I use the expression "the capacity to strike" because there is no right to strike unless it's given by this Legislature. There is no right to strike in the federal service unless it's conferred by Parliament. In that case it's not a right, it's a privilege. There's been a great deal of misuse of terminology.

What we're talking about is whether the privilege of being able to strike shall be granted. Surely that capacity is not something we all have automatically. Many persons who are unorganized do not have the capacity to strike — not with any security of job tenure. We know that. So we're talking about the capacity to strike and whether that privilege shall be granted.

Mr. Speaker, at an impasse our choice is clearly whether we resolve the impasse by virtue of the strike methodology or binding arbitration, and there are variants of binding arbitration. But one way or the other it must be resolved.

A quotation from a 1969 report was given to us just a few moments ago by the hon. Member for Spirit River-Fairview. I would remind the hon. member that the temper of the times in 1969 and the late '60s was quite different than it is today. I say that whether we're discussing organized employee relations, labor relations, or whether we're talking about matters of public security, the Criminal Code, or what have you. The temper of the times is quite different. Our experience is also vastly different. When I use the expression "our experience" I mean the experience not only of members of this Legislature, but also of employees and unions. Many things would have been countenanced in 1969 about which people today would and do have second thoughts.

As one who has participated to some degree, albeit vicariously, in a number of strikes in this province, I can stand here and say that in those many situations I have never seen a successful strike from either party's point of view. As the hon. Member for Spirit River-Fairview, the representatives on the task force, and the representatives of the Civil Service Association — as it was at that time — suggest, I don't believe it's necessary to have the possibility of either binding arbitration or strike as the essential motivation to settlement of a collective agreement. Surely, if the threat of something worse happening to them is the only motivation of the two parties, that is a very negative motivation I would never wish to go to a bargaining table with as my only incentive. When I went to a bargaining table, my incentive was to recognize that the best interests of the group I represented and of the group across the table from me was how well we could sort out the differences mutually. Because our common interest was to avoid confrontation, to resolve the situation positively.

Mr. Speaker, if I may, I'll use a brief quotation from a labor association active in Canada and this province, perhaps not one of the dominant ones. It's the Christian Labour Association of Canada. I know they may not be recognized as the greatest authority in union circles, but I think they have something to say. They say:

> There is an almost complete lack of recognition that both management and workers ought to be engaged in the same undertaking — to provide goods and services for the fulfillment of genuine *needs* in society — and that the rendering of true service should be the dominant and primary goal of the enterprise.

I take it one step further and say that if sight of that objective as it applies to the public service is lost, the stimulus for positive settlement is also lost. I regret very much when I hear — whether it be from management representatives, representatives of organized labor, or politicians — the suggestion that the only motivation to successfully conclude a collective agreement is the coercion that exists that if they don't do it something very negative and very bad is going to happen, whether they lose the possibility of controlling events by having the whole issue thrown to binding arbitration or whether it be a strike.

I suggest to the hon. Member for Spirit River-Fairview that I do not accept the argument he advanced this afternoon, nor do I accept the argument put forth by the Civil Service Association of Alberta that the real urgency in a collective bargaining process, the real motivation, is the threat of a strike. I just don't see it. I think we delude ourselves if we consider that we're backing into the bargaining table against our will, with the threat of something dastardly that could occur to us if we don't come to a conclusion.

Mr. Speaker, comment has been made about the Public Service Employee Relations Board, the fact that the legislation may not stipulate that some representatives must represent in this case the Alberta Union of Provincial Employees. I submit again that the fact of the matter is that we are the Legislature. We will make the appointments through the government whether the suggestions come or don't come, and that's immaterial really.

What is material is that the persons who do get on that board carry credibility, public acceptability, empathy for employees, understanding of our society, and understanding of the issues which come before that board. To me the employee background or the particular affiliation of those representatives matters not, as long as they have those criteria. Surely if they depart on that basis toward their responsibility on that board they will be successful. It seems to me that board is the key to the success of Bill 41 to a large degree; that board and the willingness and commitment to a positive achievement in the

interests of the public of Alberta that this government and the Alberta Union of Provincial Employees bring to their respective tasks.

Mr. Speaker, I think the crucial principles of Bill 41 are basically the ones that have been covered: whether there shall be the capacity to strike, whether what is contained in Bill 41 is consistent with every indicator this government has shown, whether it is consistent with the pattern of labor relations it has exhibited in relation to its staff, whether it is fulfilling the commitments it has made over time. I submit that Bill 41 does all those things. It does them very positively and carries us one step further in the evolution of our relationships with our organized employees down what I think, and what the hon. Member for Little Bow acknowledges to us, is a very successful, positive road.

Mr. Speaker, I ask all members of the Assembly to support Bill 41. [interjections from the gallery]

MR. SPEAKER: Order in the public gallery, please.

MRS. CHICHAK: Mr. Speaker, I think it may be worth while and helpful in debating Bill 41, The Public Service Employee Relations Act, to review and compare the provisions of the act with the mechanisms available to employees of governments across this nation. I would like to recap briefly some provisions under federal as well as provincial legislation. In my remarks I would not wish to review the worth-while aspects of Bill 41, because I think speakers before me have very adequately and eloquently outlined the real benefits of the bill: the forward step that is being taken here; the interest and concern of this government in providing for its employees a system by which they can effectively bargain for fair employment conditions and recognition of remuneration for their services.

At the outset I would simply like to reiterate that I feel the services being provided to the people of a province or nation are not like those found in the private sector. There is not the selection or the ability for the citizens of the province to obtain from other sources the kinds of services being provided by their government. Therefore, although there may be difficulty in setting out or defining clearly what essential services are, I think one must determine whether there are alternatives to the services being provided by employees to citizens at large under the umbrella of the government.

Very basically, I think it is essential to recognize that any employer or individual employed under this umbrella is providing a unique service, a singular service, and therefore it puts [them] into a category that cannot be classified in the same manner as those in the private sector. When an individual or citizen has no choice as to where he or she obtains a service, they can no longer be put to having to contend with the same level or category of bargaining or negotiation as those in a service that may be provided by any number of facilities. Very basically, for that reason I feel the right to strike is not a negotiable matter that can be made available to any employee under the umbrella of the provincial government, or for that matter of any government.

In comparing the available legislation with regard to the conditions of employment under federal jurisdiction, I would just like to outline briefly the approach that employees in most Crown corporations are treated in very much the same manner as employees in the private sector. They come under the industrial relations and disputes investigations act. They belong to unions of their choice, not necessarily any one particular union under the federal government. But they may, and many of them do, belong to unions in the private sector, which is a very important factor with regard to the federal legislation. In those unions are included employees or workers employed by companies in the private sector.

The federal Public Service Staff Relations Act governs employer/employee relations between the state and most of its organized civil service employees, as well as the employees of a small number of boards and commissions. This act applies to all federal employees except those under the industrial relations and disputes investigations act. An exception, however, is that the armed forces and the RCMP are excluded. These two groups, of course, have no bargaining privileges or rights under federal legislation.

The Public Service Staff Relations Act covers some 200,000 employees and is administered by a Public Service Staff Relations Board, which is tripartite in nature, having union and employer representatives. It determines appropriate bargaining units, conducts certification, and a number of other areas specified under the legislation. The bargaining agent, and only the bargaining agent, has the option of choosing between two possible routes for disputes not resolved through negotiation. One is that they may choose to submit the dispute to a conciliation board and, in failure of a settlement there, may strike. That is provided as a privilege and not a right. The other route is that they may submit the dispute to arbitration, with the provision that prior conciliation may be attempted. The choice of the route is entirely in the hands of the bargaining agent. If he chooses arbitration, there is no privilege of strike action. I might say that the conciliation/strike route has been, I suppose, exemplary in its impact on the citizens of Canada, with the four postal strikes we have had in current years and the two strikes disrupting air traffic.

With regard to provincial legislation, I would like to look at the provisions in three or four provinces. The first one I might deal with is New Brunswick legislation, where that province has adopted the federal model. However, it deviates in the area of strike and arbitration in that both parties may propose arbitration as an alternative to strike. You will recall I had indicated that under federal legislation only the bargaining agent has the opportunity to select the route to be applied in the event of a dispute. Further, during the course of bargaining, the parties may alter their preferences between the two options open to them. Again, having adopted the federal model, the New Brunswick legislation has the two routes: conciliation and strike, or arbitration.

Under the New Brunswick legislation, arbitration cannot be imposed unless both parties agree, and prior to the strike the union must secure support of the majority of those taking part in a strike vote. As well, if stoppage occurs, the union is not permitted to picket the facility, and the government does not operate the struck facility until the dispute is resolved. It seems to me that that can create some pretty extreme hardships in certain areas of service. The New Brun-

swick legislation applies to the civil service employees of Crown agencies, school teachers, and hospital employees.

With regard to legislation in the province of Ontario, the majority of Ontario civil service employees are organized into one large association, so the Ontario civil service association has certain restrictions. One is that strikes are illegal in public employment. Unresolved disputes are submitted to a tripartite arbitration tribunal, and the awards are final and binding. Wages are decided separately from fringe benefits and working conditions. That has some disadvantages, which are outlined and which I will not go into in my remarks.

With regard to the province of Saskatchewan, legislation applicable to public employees is the same as that which is applicable to the private sector. The exception is that teachers and firefighters are subject to compulsory arbitration.

Quebec legislation models bargaining in the private sector, but does not include binding arbitration. The exceptions are police, other peace officers, and firemen, who do not have the right to strike but are subject to compulsory arbitration. To protect the public interest in Quebec, legislation provides for an 80-day injunction in cases of strikes endangering public health and safety. Also the civil service employees may not strike until the parties agree on a method of maintaining essential services during a work stoppage. This in effect precludes any closing down of a struck facility.

With regard to the federal legislation, the scope of bargaining does not include anything that requires action by Parliament, except the matter of granting money to carry out the collective agreements, and does not cover matters which are clearly identified and specified in other legislation.

There are a number of general observations with regard to the experience and processes throughout the country. I have taken my information from *Public Employment Labor Relations* by Rehmus. It is felt the majority of experience with regard to labor legislation in this country has perhaps not been of sufficient duration to draw some final conclusions, but there are a number of interim conclusions. It would appear from the summaries given that where strikes are permissible and collective bargaining has resulted in wage settlements that are at par or a higher level than in the private sector, this has had a tendency to cause inflation and has forced governments to apply guidelines with respect to spending and increases, not only in wage settlements but the whole area of expenditures, in order to put a curb on unreasonably high settlements. The resultant difficulties are then experienced in the private sector as well.

Mr. Speaker, members on the government side have outlined the background information with regard to the legislation that existed prior to 1972. It seems to me we have come a long way in providing real consideration and opportunity to recognize that an attempt is being made to give the people employed by the government of the province of Alberta real recognition for the service they provide, bearing in mind the service that must be provided to the citizens of this province and the opportunity the citizens do not have for alternative services.

Although this is not the intent, from time to time we do have very zealous leaders who for one reason or another feel they must perhaps show strength in demanding such matters that are not fair and reasonable, bearing in mind the service being provided. In order to maintain their credibility or perhaps to show that in fact they are always fighting for those they lead, they must be in the foreground with greater demands. I'm not being critical in the sense of saying that any such actions are intended to cause unfairness. Whatever the reasons are, I'm sure they must believe they are necessary.

We must look at the whole situation of service by government and the ability of the public to receive fairly a service that cannot be obtained elsewhere. Their needs should not be held to ransom. I'm sure this is not the intent.

I think Bill 41 clearly takes into consideration many matters in favor of employees who work to give service to the public that in many areas, if not in all, is second to none in Canada. I think our civil service employees need to be commended. Maybe enough isn't said that we recognize the real effort being made on their part. But surely we must recognize in this age of advancement that the strike route really is not . . . I think we should have advanced far beyond it in our ability to negotiate with each other a meaningful and fair determination of our disagreements. Surely ransom cannot be the route in this day and age. We have all matured and advanced far beyond that, and I hope this is recognized by all whom Bill 41 [affects].

Thank you, Mr. Speaker.

MR. TAYLOR: Mr. Speaker, I will not hold up the debate very long, but I want to say a word or two.

My first comment is really in the form of a question. Who is hurt by a strike or, alternatively, who gains from a strike? Traditionally, in the early days of the trade union movement, a strike was designed to hurt the employer in order to bring him into line. It was primarily aimed at the employer. Because his profits disappeared and his livelihood was affected, he came to agreement as quickly as possible.

We have come a long, long way since that time. When we ask the same question today, I think we get a different answer. Who is hurt by a strike? Many, many times it's not the employer at all but innocent people who have had nothing to do with formulating the conditions of employment or checking the wages, and who can do nothing to settle the dispute. Consequently there's been a revolt against strikes in the public mind, in the minds of the rank and file people — the farmers, laborers, and workers. Many strong union men are not nearly as enthusiastic about strikes now as they were 20 or 30 years ago.

One hon. member asked who gains from a strike. I have gone through many strikes in the coal-mining industry. I can't remember one where the coal miners gained. I can't remember one where the coal operators gained. I can remember a number where the coal industry as a whole was hurt by the strike. Eventually that was one of the factors that replaced coal. Hundreds of men were displaced by other fuels. Maybe it would have happened anyway. But in the free-enterprise system a product must be able to compete with other products if it's going to stay on the market. Wages have a very definite say in whether a product competes; the amount of production per man has a very definite say in whether it competes. Throughout Canada today there is consid-

erable concern about the per man-hour production in many industries, which may well result in our losing markets to other countries. Because other countries are prepared to have a lower standard of living than what we want the working people of our country to have.

The strike has played an important part in labor relations throughout the world. But I remember the threat of strikes over our heads when things were pretty tough throughout the years in the coal-mining industry. I do not know of any strike that really brought better conditions, better wages, or that profited. The long term may have brought better working conditions, and I think that is so.

Several years ago when I was on a Workmen's Compensation Board legislative committee, headed by the late hon. Dr. John L. Robinson, Member for Medicine Hat, we were met by a delegation from the Edmonton city police. At that time the Edmonton city police requested that they be given the right to give up their right to strike, in favor of mandatory arbitration. This was discussed with them for considerable time. The committee then recommended that we accede to that request. The government accepted, and I suppose the city council also accepted. As a result the Edmonton city police have not had the right to strike, which they gave up of their own volition many years ago. When I look at the wages today of the Edmonton city police, compared to the police of other cities who have retained the right to strike, I wonder who has lost and who has gained. Certainly the working conditions and wages of the Edmonton city police are comparable if not better than any of those who retained the right to strike — some of whom even went on strike and left the public unprotected.

I'm not certain that binding arbitration is that bad. The results we have here indicate it may well redound to the benefit of the workers themselves. The public service of Alberta has been requesting the right to strike for many, many years — as a matter of fact, as long as I have been in this Legislature. No government in the history of Alberta has been prepared to accede to that request. The present government is the first one that has come out and said, strikes and lockouts will be prohibited. There was always a fuzzy understanding that maybe they had or maybe they hadn't. But certainly the legislation did not give the public service in this province the right to strike. So they've never had it. This is demonstrated by the fact that to the present time the public service has continued to request the right to strike. Their officers are still making that request.

I'm wondering if the public service as a whole is seriously concerned about the right to strike. I remember when the legislation was amended and we brought in emergency legislation. The labor unions of the province hollered to high heaven about it during the period in which the Social Credit government was in power, the last years in fact. But the government stuck to its guns and said that under certain emergencies, emergency procedures would be carried out. I remember the labor unions claiming this was taking away the right to strike. I remember the NDP saying this was the first step in taking away the right to strike, that we would rue the day that had happened, that the public would turn the government out of office, and so on.

I come from a labor riding, but not on one occasion did anyone raise the point in a public meeting in my constituency or even ask me whether I had supported that legislation. Letters came from labor unions, requesting some of the mine locals to do that. But the mine locals did not raise the point at public meetings in the Drumheller riding at that time. I supported that legislation and I made no bones about it. I felt it was inhuman if nurses or attendants in a mental hospital went on strike and left those people unattended. If guards at a prison simply walked out and left the prisoners unguarded — some of whom are dangerous thugs — to do what they wanted, that again would be inhuman and an atrocity, and might result in tragedy. So the emergency legislation was brought in and it's still in The Alberta Labour Act.

There were forebodings and warnings that this would be used by the government to stop every strike that occurred. Of course this was nonsense. There was never that intention, and it was never used to that extent. Many have requested that it be used at times because the damage done during a strike is not always evident. I remember some school teachers' strikes in which the damage will never be repaired as far as some boys and girls are concerned. They missed their grade that year and never went back to school. Their whole future has been jeopardized because of the strike, because they couldn't finish their senior matriculation or high school grades that year. So sometimes these dire warnings never materialize. But many times, the damage done through withdrawal of services has a lifelong effect on some people.

The public service has been requesting the right to strike for many years. The present government has said strikes and lockouts will be prohibited. I would think the public service would say now at least we have a definite answer. We know where we stand. In my view this is the first time the public service has really known where it stood in regard to the strike.

I think the general public is sick and tired of strikes in this country. During the postal strike — throughout my riding and throughout every part of the country in which I happened to be — people were crying about the damage it was doing to innocent people — old age pensioners, businesses, and so on — because mailmen refused to do the work for which they were being paid. At that time many people said the public service should not have the right to strike. There must be a better way of settling disputes between the public service and the government. I agree with that. I think the strike has come to the place where people are so sick and tired of it that they're turning their vengeance on some of the union leaders. Many people are now saying, are the unions running the country? They've become more powerful than the CPR. They're telling the governments what they can and can't do. In some cases they cite, this is the case. I think unions still have a part to play in representing their workers responsibly. I don't think union leaders have to go on strike and hurt innocent people in order to demonstrate they are doing a job or earning their pay. I think those in unions who go to the utmost lengths to avoid a strike in order not to hurt the innocent are the ones really earning their salaries as union leaders.

A government should be a model in regard to the way it treats its employees. It should be an example

to all industry. When the public service goes on strike, they really don't hurt the government, they hurt the people paying their wages and salaries. It's a strike against the people. Because of that, I have never believed the public service should have the right to strike. I didn't when I was in government and I don't now. As a matter of fact, in the last two elections I was elected on the strength of the fact that I made it very clear I would not support the strike for the public service. This is in a labor constituency. I have no compunction whatsoever about supporting this bill. I am convinced I am representing the large majority of people who sent me here by saying the public service should not have the right to strike.

By the same token, I think we have to say the general public wants the public service treated fairly and equitably, in a way that is exemplary to other industries: that their wages and salaries are not sky-high but a fair return for the work they do, that their conditions of work are satisfactory, that they have proper appeals when there's a conflict or dispute, or when there are injustices to correct. Some injustices arise whenever you get a service as large as the public service of Alberta.

Mr. Speaker, I'm not going to deal with provisions of the bill other than one. I notice the bill does not name a minister responsible for it. I have always been reluctant to support legislation that puts the dealings of the government at arm's length from the government. I think the government has to be able to take responsibility for its actions, and that the new Public Service Employee Relations Board should be responsible to and should report to some minister. I certainly don't think a minister should be sitting around the bargaining table arguing the various clauses. But I think a minister should be responsible — and the board and the people who work under this act should know who their minister is — to the Executive Council and the Legislature for what takes place under The Public Service Employee Relations Act.

The hon. minister mentioned there would likely be some amendments following further meetings with the public service, and I look forward to seeing those amendments. Two or three individual clauses give me some concern, but I am in full accord with the major principle of the act which prohibits the strike. I support it, and I will support second reading of the bill.

MR. KIDD: Mr. Speaker, tonight I have listened to what seemed to me millions of words, and I wonder whether we've really got to the essence of the problem. One of the things we talked about was "fuzzy understanding". I think fuzzy understanding is pretty important here. First of all let me say that I seldom disagree with the hon. Member for Drumheller. But he's completely wrong — because I was raised in a coal-mining town — when he says that the strikes by the coal miners didn't do something very important. Mr. John L. Lewis did a great service to this country by his attitude toward strikes. In calling those strikes, in standing up and having his membership strike, efficiency came forth. He produced efficiency because the people he was striking against were profit oriented. They had a profit-oriented view. The efficiency of the coal-mining industry today is in large measure due to Mr. John L. Lewis. That's my view, sir.

Taking that point of view, let me tell you that the important thing no one has really said tonight, and that I want to say, is that the right to strike, and the production of efficiency and injustice and so on by striking, must be based on something that hurts somebody. Not too long ago there was a battery company in Calgary. The boys in that battery company struck and the owner said, "Well, we can't pay you that money". They said, "Oh hell, that's nonsense". But they went broke. They said, "No, we're out of business". And they came back the next week and said, "Okay, we'll go back to work at the same price". The real crux of this situation is simply this: in government, what is the motive to hold down the requests of any group that strikes?

You know, it's a terrible thing to say but it's true: in my view the biggest cause of our inflation in Canada — and God bless me, I guess; as a member of this Legislative Assembly I have to stand up and say what I think — was the right to strike given to our civil servants by Mr. Pearson. Because there was nobody who said, we're going broke boys, we can't pay you. What in the world is the restricting situation in government when you strike? Who says, we can't pay you? A very important principle, I think. That's my view, and only mine, I guess. But talking about fuzzy understanding, let's be very clear about one thing. I want to make it specifically clear — with due respect to Mr. Les Young, the hon. member who spoke before — that the essence of Bill No. 41 is that binding arbitration is given. That means that, by golly, we have an arbitrating group which says, this is what it's going to be. Let's be very clear on that. We may stand in this Legislature some time and say that was wrong. But that's what we're voting on. That's what we're saying tonight when we pass this bill. Binding arbitration is the essence of Bill No. 41. Let's be clear on that. No recourse. So we should be very careful about our thinking on that.

Summing up, right from my heart I say, without the profit motive, is it possible, is it intelligent, is it reasonable to give the right to strike with no lid on what the hell they're doing? If you read Bill 41 — and I've read it — I think it is an extremely fair bill for every person in the public service.

Thank you, Mr. Speaker.

MR. SPEAKER: May the hon. minister conclude the debate?

HON. MEMBERS: Agreed.

MR. LEITCH: Mr. Speaker, in closing debate on second reading of Bill 41, I would like to thank all those members who took part in the debate. As I indicated during my opening comments, over the past while we've spent many, many hours reviewing the matters covered in the bill and considering the issues that are raised. After you spend all those hours, on occasion you begin to think nothing new might be said about it. But you are always relieved of that illusion as soon as you've heard a debate in the Assembly on the issue. Something new is always raised or, alternatively, arguments that have been heard before, and perhaps their weight not fully appreciated, are newly expressed or expressed in a way that gives them much greater force than

previously.

I'd like to respond to a few matters that were dealt with during the members' comments on second reading. First of all I want to respond to the several occasions on which the Member for Spirit River-Fairview referred to the $10,000 fine, compared that with fines under other legislation, and indicated how unfair he thought that was. I should say to the hon. member that if one thing has distressed me about the discussion that has gone on about this bill to date, in and out of the House, it's the simple distortion that has occurred as to what is in it.

I regret that. Obviously matters are dealt with in the bill on which strong arguments and beliefs can be held and expressed on both sides. It really detracts from those arguments and views to engage in the kind of distortion that has been engaged in. I'm not suggesting the hon. Member for Spirit River-Fairview did that in his comments — certainly not intentionally. But I would ask him to read again the punishment sections, particularly Section 98, which refers to fines for those who cause or attempt to cause strikes, or those who cause or attempt to cause lockouts, but not to the actual person who goes on strike or has the lockout. That was intentional.

We did not intend to propose any fine of substance for the person who was actually involved in the strike. But we had to have strong penal provisions in the legislation to deal with people who are not members of the public service, who might be inciting or causing strikes or lockouts. I would expect the enforcement of the legislation otherwise to be by applications for injunction, then proceedings before the courts, as is now the case. I would simply say to the hon. member that the remarks he made about fines are not accurate. They do not apply, on my reading of the legislation — or our intention when the legislation was prepared — to the individual who went on strike, unless he was involved in a breach of the other sections.

While I'm dealing with the act, Mr. Speaker, perhaps I could respond to the point raised by the hon. Member for Drumheller about the lack of a minister responsible for the legislation, and draw to his attention Section 80 of the act, which provides that:

> The Board shall at the end of each Government fiscal year make a report on the administration of the Act during that year to the Minister of the Crown charged by the Lieutenant Governor in Council with the administration of this Act.

As the hon. member will recall, there are occasions where legislation specifies a particular minister to be responsible. There are other occasions, as is the case here, where the legislation leaves it open to the Executive Council to specify which member of the Executive Council will be responsible for the legislation.

Mr. Speaker, I'd also like to respond to some of the comments made regarding the board and its membership, proposed in the legislation. The hon. Member for Spirit River-Fairview challenged me on the point I had made regarding the following of the recommendations of the government members of the task force, and said we had not followed the recommendation of those members with respect to formation of the board. That was so. I don't think I said anything in my opening remarks that indicated we had followed all those recommendations to the letter. What were those recommendations? [One was] that it be a three-man board. We've proposed a five-man board. I don't know that the hon. member took issue with that increase in numbers. I don't know of anyone who would take issue with the increase from three to five.

The recommendation is that there be consultation. Mr. Speaker, I think there are two good ways and one bad way to appoint boards. A good way is to say, you do the appointing. An equally good way is to say that someone else will do the appointing. So we could have said there will be a three-member or a five-member board. The union will appoint two members, the government will appoint two, and we'll have a chairman who will be neutral. That's one way which might have been an acceptable alternative. But then you simply get the case where the chairman is going to have to make more decisions on his own than the chairman is normally going to have to make. I think that kind of appointment works reasonably well in arbitrations. But quite often the chairman is left on his own because the two arbitrators can't agree. The chairman either agrees with one of them or finds some ground between them. That's one alternative. We didn't think it was the best alternative.

We felt that a board appointed in the same way the Board of Industrial Relations is appointed would have the best chance of establishing a credible track record with the union, the government, and the people. I can say without hesitation to all members of the Assembly that there will certainly be discussions and consultation with the union before we appoint people to this board. I'm under no illusions that the board is going to function well only if the people affected by its decisions have confidence in it.

The recommendation that there be a legislative requirement to consult before appointment is in my view one we properly rejected after considerable discussion. On occasion I have functioned under legislation that required you to consult with someone before you did something. I don't know how one ever carries out that legislation, or how you can say, I've now done what the Legislative Assembly directed me to do, namely consult. What is the beginning and the end of the work when you're directed by the Legislative Assembly to consult? What useful purpose comes out of it because the Legislature has told you to do it? It's only going to work if you want to consult, the party you're going to consult with is anxious to be consulted, and the two of you try to arrive at some mutually satisfactory arrangement. So, far from seeing the absence from the legislation of that consultative requirement, I think it's a plus not to have it.

Lastly, in respect to the powers of the board, I have had difficulty following the comments I've heard about that, both inside and outside the House. I think I'm accurate that the powers parallel, to a very major extent, those of a board of industrial relations.

The next point that came under the general heading of the board's powers dealt with arbitral items and the board's capacity to determine what was arbitrable. In response to the criticism made about that portion of the bill, I simply want to say: those which are now in the bill as not being arbitrable are essentially the things excluded from our current collective agreements. In that respect the bill provides very little change, if any, from the current situation. In addition, Mr. Speaker, the legislation does not

prevent us negotiating in those areas. It simply says that if negotiations are unsuccessful, they are not resolved by arbitration. They simply are not matters that can be referred for arbitration.

Mr. Speaker, I conclude by responding to the arguments advanced about Alberta Government Telephones, which is excluded from the legislation; and the employees of the municipal government, who are not covered by the legislation. As I followed that argument, the hon. Member for Spirit River-Fairview was saying, if you are going to be logical, on our philosophy you would take away the right to strike from Alberta Government Telephones employees, from municipal government telephones employees and, I guess, from the majority of those listed in Schedule A.

MR. NOTLEY: Put them under The Alberta Labour Act.

MR. LEITCH: Mr. Speaker, there are three choices. We could meet the test of being logical and put everyone under The Alberta Labour Act. As we have said, and for reasons which in our view are unanswerable, that is not an acceptable alternative. The next alternative is to say we're going to be logical and take away the right to strike from all who now have it but are employed at any level of government. That may be logical, but in our view it's a very high and very unnecessary price to pay just to be logical.

There are certain advantages and certain changes we made in this legislation in an effort to remove some of the existing anomalies. But it was never our argument, nor do we base our support for the bill on the grounds that it brings a total, logical, symmetrical system to the whole of employer/employee relations in the province of Alberta. It doesn't do that. In my judgment, Mr. Speaker, the fact we have not gone to areas such as municipal government and Alberta Government Telephones in no way weakens the arguments we have advanced for the legislation as it now is.

In respect to municipal government employees, I think it's worth while noting that the provincial government can always be present as one of the third parties in the negotiations that take place between the employees of municipal governments and those governments. So I think there is in fact some distinction between that situation and the situation covered by this bill.

Mr. Speaker, a number of other items were raised by the very helpful contributions to this debate. Those are items, though, that I feel might be more usefully dealt with while we are studying at the committee stage. With that comment, Mr. Speaker, I conclude my remarks on second reading.

[Motion carried; Bill 41 read a second time]

Bill 23

The Financial Administration Amendment Act, 1977

MR. LEITCH: Mr. Speaker, I move second reading of Bill 23, The Financial Administration Amendment Act, 1977.

The purpose of this bill is to provide an increase in the Auditor's salary from $46,000 a year, effective August 1, 1975, to $51,380 a year, effective August 1, 1976. Mr. Speaker, I anticipate a question as to why the Auditor's salary increases by more than the limit for salary levels in this range imposed by the anti-inflation program. The answer is that because the Auditor is an officer of the Legislative Assembly, he is not within the ambit of the anti-inflation program. The reason for the particular salary level is that we have historically followed the principle of keeping the Auditor's salary at the same level as the Deputy Provincial Treasurer's, and that's what this bill would do.

MR. CLARK: Mr. Speaker, just a very brief comment on Bill 23. I can appreciate the precedent that has been established over a period of years. I simply say to the Provincial Treasurer once again that I think it's a bit difficult, in fact it's very difficult, to justify this kind of increase to people living within the anti-inflation program. I make this comment with no disrespect to the Provincial Auditor. I am sure all members of the Assembly would feel he is worth every penny the Legislature appropriates as far as his salary is concerned. But again we come back to the basic question: this is just one more example of us making an exception to the $2,400 increase in line with the AIB guidelines. It's little consolation to individuals who have to live with the guidelines when we see this kind of increase. I just want to make the point — it's no personal comment as far as the Provincial Auditor is concerned, but I think it's a factor members of the Assembly should keep in mind — that once again we're increasing a salary from $48,400 to $51,380.

MR. TAYLOR: Mr. Speaker, I'd also like to make some representations on this. One of the biggest objections I received from the people at presessional meetings was the fact there are too many exceptions to the anti-inflation guidelines. When we tell workers who are just barely eking out a living, you can only have a certain percentage increase when they need every cent they can get to live on, I question very, very much why we shouldn't apply the same rule to those in the high brackets of $30,000, $40,000, and $50,000. Surely to goodness these people should be kept within the guidelines the same as everybody else.

I would like to see the hon. Provincial Treasurer consider bringing an amendment to the Committee of the Whole that would raise this salary only as per the guidelines. Even though we don't have to, I think it's a proper thing to do.

MR. SPEAKER: May the hon. minister conclude the debate?

HON. MEMBERS: Agreed.

MR. LEITCH: A very brief comment, Mr. Speaker. I appreciate the feelings which brought forth the comments from the two hon. members. But one of the points I want to make is this: in salary ranges where the percentage of the salary allowed under the AIB is more than $2,400, and therefore there's a cap on the $2,400, if there's a group there is the capacity to

move within that group; that is, not everyone in the group may get $2,400 increases, but people within the group may get more than $2,400 as long as there's an offsetting lower increase for other people within the same group. So if you had 50 employees, you may be able to give one $6,000 or $8,000 or any increase in salary so long as sufficient raises under the $2,400 are given to the other people to make up the difference. We've done some of that within the senior public service. We made adjustments in salary to cure anomalies and to reward outstanding effort and things of that nature. But the Auditor is not in a group, so we can't use the same system we have used within the public service. That's one of the reasons I would find it difficult to accept what on other assumptions might have been a very reasonable suggestion.

[Motion carried; Bill 23 read a second time]

Bill 34
The Hydro and Electric Energy Amendment Act, 1977

[Adjourned debate May 4: Dr. Warrack]

DR. WARRACK: Mr. Speaker, I move second reading of Bill 34, The Hydro and Electric Energy Amendment Act, 1977.

Mr. Speaker, a few days ago I had the opportunity to make some brief remarks indicating the nature and intent of Bill 34. I could recap them very, very briefly by indicating that three basic sets of principles are involved: one dealing with the capacity for emergency and contingency planning that would involve the information necessary to provide that, and to have provisions in the act that could indicate action which ought to be taken in the event of a shortage and therefore a potential emergency situation with adverse effects on people of Alberta.

Secondly, as a matter of principle, Mr. Speaker, the transmission and distribution systems need to relate more closely to electric power generation in their planning and operations. These need to relate to some of the changes now coming about with the rapid growth and the more severe land-use conflicts often involving the movement of transmission lines from one location to another. Presently in those instances there is not a good way to settle the compensation terms of those changes. Bill 34 will provide the necessary changes that will be ordered by the Energy Resources Conservation Board. In the event the participating parties are unable to negotiate a settlement satisfactory to all sides, it can be referred to the Public Utilities Board for review and final judgment. Mr. Speaker, this is because the Public Utilities Board already has the capacity to deal with these kinds of items, particularly the cost analysis that would be necessary to strike a fair settlement.

I would like to make additional comments with respect to the distribution circumstances, particularly in the rural electric distribution set-ups throughout Alberta. One of the events of major consequence last summer was a hearing at Mayerthorpe regarding the physical condition of the Rochfort REA in that area. The concern was: who, if anyone, would operate that particular system. The question of whether there was a way to assure the system would be operated and the service provided, and close examination of The Hydro and Electric Energy Act as it stands now — that is to say, prior to Bill 34 that's before us at this time — indicated there was not the capacity, as a last resort to order the power company, for example, to operate the system so that arrangements could be struck in the meantime, but people be assured continuous electric power service. In Bill 34 we have provisions that would provide for the capacity of the electric distribution circumstances to be exempted and, in the cases of rural electric distribution systems, new ones substituted to take account of that need.

Also, having regard to the electric power generation, transmission, and distribution, I wanted to add that under Bill 34 the Energy Resources Conservation Board would get emergency powers to allocate electrical supply for crucial needs in a shortage. I would like to draw members' attention to the fact that we have included in Bill 34 a provision that such an emergency order would automatically lapse in a 30-day period unless renewed by conscious action. One of the dangers and concerns about any emergency arrangement is the possibility that it can go into place and continue well beyond the time the emergency actually exists. So I have been of the view that we should have what's commonly termed a "sunset clause" in those kinds of powers. In the emergency allocation powers the Energy Resources Conservation Board would have under Bill 34, that sunset provision, if you like, would cause the automatic termination of those emergency allocation powers. I think that's an important part of the bill, and I want to draw members' attention to it.

One additional item I would like to draw to all members' attention is that presently there is the provision in The Hydro and Electric Energy Act that would necessitate the permission of the Alberta Government Telephones Commission in the instance there is any possibility, in the judgment of Alberta Government Telephones, that a certain electric hookup, whatever it might be, could endanger the communications system. As you can readily appreciate, these kinds of judgments come to a kind of stand-off that's pretty difficult to settle.

It was my feeling — and it's proposed as an amendment in Bill 34 — that Alberta Government Telephones, as a Crown corporation, should not have that capacity to hold up an electric development to provide service for the citizens of Alberta, but rather the final arbitration ought to be somewhere else. The proposal in Bill 34 is that the final arbitration of any such dispute between the electric system and Alberta Government Telephones would be settled by the Minister of Utilities and Telephones, whoever that person might be at that particular point in time, rather than for Alberta Government Telephones to continue to have veto power. That too is a provision of the act.

With that, Mr. Speaker, I'd like to move second reading of Bill 34, The Hydro and Electric Energy Amendment Act, 1977.

MR. CLARK: Mr. Speaker, I will have more to say in committee study of Bill 34, but my general reaction is that it's very wide-sweeping and, I think, changes the status quo to a very great degree.

I'd like to start with Section 12 of the act. That's the portion that really deals with this question of the

provision of meeting emergencies. As far as the sunset portion of that is concerned, Mr. Minister, I think a 30-day clause is a step in the right direction.

But if I recall correctly, you indicated the other day that there had been situations where this emergency section would have to be used. Either at the conclusion of the debate on second reading or in committee, I think it would be helpful to members to get some rather definite feeling from the minister as to the kinds of circumstances under which the minister would anticipate using Section 16, because it does give very sizable power. It really allows the board to commandeer the electrical generation system in the province.

Secondly, with regard to Section 10 — that's the portion on the top of page 4 where it says: "require changes in the location of a hydro development, power plant or transmission line". Mr. Minister, I think you made the point as far as "transmission line" is concerned.

MR. SPEAKER: May I respectfully remind the hon. leader that the Assembly is not in committee.

MR. CLARK: Mr. Speaker, I appreciate your reminder, and the point is well taken. May I say to the minister, Mr. Speaker, that hopefully when he concludes his comments he would deal with the principle of the bill that outlines the government's feeling why it would be essential to give the government the facility to become involved in the question of the location of a hydro development, and why the board is now going to need the power in fact to get involved in that kind of decision-making role.

The third principle I would like to ask the minister to comment on is outlined at the bottom of page 1 of the bill. That's simply the addition of the words "and operation". Adding the words "and operation" appears very innocuous, but I have had some people from the various REAs in the province ask questions with regard to the reasoning for that particular portion.

When the minister concludes the debate, or perhaps in committee, I would appreciate it very much if he would deal with those three rather general principles.

MR. TAYLOR: I thought the minister had already concluded the debate. [interjections] Sure he did.

MR. CLARK: No, that was just his first . . .

MR. TAYLOR: No, we debated it on May 5.

MR. CLARK: No, he adjourned debate then.

MR. TAYLOR: He was closing the debate. [interjections] Sure he was. He only speaks once.

MR. CLARK: He gets to start and end debate.

MR. TAYLOR: Well this was the end. [interjections] Sure it was.

MR. SPEAKER: With regard to the minister speaking on the debate just now, according to the records of the Assembly the minister had adjourned the debate on the first occasion when the bill was called, and was now either making all his remarks or concluding them.

DR. WARRACK: Mr. Speaker, partly because I wasn't sure that I followed the Leader of the Opposition on the second point, with the intervening discussion that took place, I think what I would like to do is . . .

MR. SPEAKER: Order please. I apologize for interrupting the minister again. I would just like to be clear whether the hon. minister is now concluding the debate or whether he is answering a question.

DR. WARRACK: I'm concluding debate.

MR. SPEAKER: If he's concluding the debate, under the *Standing Orders* I have a duty to point that out to the Assembly. Before I do, I wouldn't want to leave with the Assembly a wrong impression arising from the remarks I made concerning our not being in committee. That does not imply that Standing Order No. 52(1) is not in effect in committee.

May the hon. minister conclude the debate?

HON. MEMBERS: Agreed.

DR. WARRACK: Thank you, Mr. Speaker. Just two items at this point, I think; partly, as I said, because I didn't fully capture all the points and questions posed by the hon. Leader of the Opposition. But I'll certainly do that via *Hansard* and consult him if I'm uncertain at that time. The first time I spoke on second reading, before adjournment, I may have sounded as if I was saying we had some shortage situations. We have not. But in my time of responsibility I believe there have been four instances where the capacity was very close to the peak demand, leading one to the concern of whether your circumstances and your legislative capacities are such as to handle shortage situations which could be very serious should they arise. But I'd like to come back further on that point, as I indicated.

With that, Mr. Speaker, I would conclude the debate.

[Motion carried; Bill 34 read a second time]

MR. HYNDMAN: Mr. Speaker, before moving adjournment of the Assembly, tomorrow on Orders of the Day we would propose moving to second reading of Bill No. 40, The Agricultural and Recreational Land Ownership Act, then continuing with second readings on the Order Paper.

I move that the Assembly do now adjourn until tomorrow afternoon at 2:30 o'clock.

MR. SPEAKER: Having heard the motion by the hon. Government House Leader, do you all agree?

HON. MEMBERS: Agreed.

MR. SPEAKER: The Assembly stands adjourned until tomorrow afternoon at half past 2.

[The House adjourned at 10:02 p.m.]