

## LEGISLATIVE ASSEMBLY OF ALBERTA

[Leave granted; Bill 240 read a first time]

Title: Tuesday, October 20, 1981 2:30 p.m.

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

## PRAYERS

[Mr. Speaker in the Chair]

## head: INTRODUCTION OF BILLS

## Bill 71

The Summary Convictions  
Amendment Act, 1981

MR. CRAWFORD: Mr. Speaker, I would ask leave to introduce Bill No. 71, The Summary Convictions Amendment Act, 1981.

Mr. Speaker, the purpose of this amending Bill is to clarify provisions of The Summary Convictions Act in respect of the alternatives available to peace officers in the serving of summonses in cases which are also governed by specified penalties.

[Leave granted; Bill 71 read a first time]

## Bill 73

## The Public Auctions Act

MR. ZAOZIRNY: Mr. Speaker, I beg leave to introduce Bill No. 73, The Public Auctions Act.

The purpose of this Bill is to replace The Sale of Chattels by Public Auction Act with an updated statute which sets out the rules governing the sale of goods by public auction. Some of the major provisions of this Bill include the elimination of duplicate licensing of those businesses already licensed by the Department of Agriculture, the elimination of the need for a ministerial order for specific exemptions for charitable organizations, and the requirement that auction businesses deposit the proceeds from sale in a trust account in the province of Alberta prior to payment of consignors. The Bill results, at least in part, from recommendations received from the Auctioneers Association of Alberta.

[Leave granted; Bill 73 read a first time]

MR. CRAWFORD: Mr. Speaker, I move that Bill No. 73 be placed on the Order Paper under Government Bills and Orders.

[Motion carried]

## Bill 240

The Temporary Rent Regulation  
Measures Act, 1981

MR. NOTLEY: Mr. Speaker, I request leave to introduce Bill No. 240, The Temporary Rent Regulation Measures Act, 1981.

Mr. Speaker, the Act is modelled on legislation introduced in this Legislature in 1975.

## head: TABLING RETURNS AND REPORTS

MR. MOORE: Mr. Speaker, I have the honor to submit the annual report of Alberta Disaster Services for the fiscal year ended March 31, 1981.

MR. CRAWFORD: Mr. Speaker, firstly, I have the Alberta Law Foundation financial statements for the year ended March 31, 1981, tabled pursuant to statute. I would also like to table the annual report of the department, and the additional copies for members are now in the hands of the Clerk for distribution. The summer report of the Crimes Compensation Board for the period to March 31, 1981, is not required by statute to be tabled, but I would like to provide a couple of copies for the Legislature Library.

MRS. LeMESSURIER: Mr. Speaker, I beg leave to table the third annual report of the Alberta Library Board, 1980-81.

## head: INTRODUCTION OF SPECIAL GUESTS

MR. MACK: Mr. Speaker, it's my distinct pleasure this afternoon to introduce to you, and through you to the members of the Assembly, 45 grades 8 and 9 students visiting the Legislature this afternoon from the constituency of Edmonton Belmont. Accompanied by their group leaders Mr. J. Argue, Mr. Desjardins, and Brother Tony Ippolito, they are seated in the members gallery. I would ask them to rise and receive the very cordial welcome of the Assembly.

## head: ORAL QUESTION PERIOD

## Social Services Hirings and Dismissals

MR. R. SPEAKER: Mr. Speaker, I would like to direct my first question to the Minister of Social Services and Community Health. My questions are with regard to the hiring and dismissal practices within the department. I wonder if the minister could indicate whether the practices used with regard to the director of child welfare will continue in other situations where an employee of the department must be released.

MR. BOGLE: Mr. Speaker, the practices which are used within the department are consistent with those which have been used over a period of time. Of course, certain safeguards are in place for members of the bargaining unit, and my colleague the Minister responsible for Personnel Administration may wish to elaborate on that. Members of management are given other opportunities to ensure that the facts are all placed before whatever body is making the ultimate decision and that none of the pertinent information is not properly addressed.

MR. R. SPEAKER: Mr. Speaker, supplementary question. Could the minister indicate, inform the Assembly, and assure us that regular procedures with regard to the other two employees, which are presently being put on hold — that the correct procedures will be used in terms of their potential dismissal from the department.

MR. SPEAKER: With great respect to the hon. leader, I think it's necessary to exercise a considerable degree of prudence and caution when reputations are involved, and especially when a matter is before the courts. I understand that the decision in the first instance with regard to the topic of the first question is under appeal. If that be the case, I would respectfully suggest that questions which deal with any matters specific to that case should be left until after there has been a final decision.

MR. R. SPEAKER: Mr. Speaker, I certainly hope you've directed that directive to the Attorney General, in discussion about items under the auspices of the court and whether we can discuss them in this Legislature.

Mr. Speaker, my second question to the hon. minister was not with regard to matters under the court case but with regard to the two child protection registry supervisors who will most likely be released or fired in November. Can the minister assure us in this Assembly that those employees have had fair treatment under The Public Service Act?

MR. BOGLE: Mr. Speaker, one of the employees in question is a member of the bargaining unit, and the other is a member of management. The director of personnel for the department is reviewing the procedures which were initiated by letter from the deputy minister of Social Services and Community Health on March 13 this year.

MR. R. SPEAKER: Mr. Speaker, could the minister advise at this time whether or not it is the intention of the department to release those employees under the legislation?

MR. BOGLE: Mr. Speaker, I've just indicated that the matter is currently being reassessed by the director of personnel for the department.

MR. R. SPEAKER: Mr. Speaker, a supplementary question to the minister. With regard to nine employees being released from the Alberta Hospital, could the minister indicate whether all procedures were followed with regard to the dismissal of those employees?

MR. BOGLE: Mr. Speaker, I hesitate to be completely definitive on that. Although I believe all nine are members of the bargaining unit and therefore have an avenue, through that process, to grieve the dismissals or suspensions if they so desire that route, I would not be in a position to advise the House in any more definitive way at this time.

MR. R. SPEAKER: Mr. Speaker, with regard to the hiring practices in the department, could the minister indicate whether the position is still supported by the minister as in a response to the Ombudsman's report that "recruitment of social workers in the child welfare area will be at the Bachelor of Social Work or Masters of Social Work level" and that regional directors would have those qualifications? Could the minister indicate that that was the criterion for hiring regional directors under the new regions established by the minister?

MR. BOGLE: Well, Mr. Speaker, the hon. member has very skillfully slipped in a phrase that is not in the document he's reading from, and that's with reference to regional directors for the entire department. I certainly

can assure the member that in hiring individuals who are to perform child welfare duties, we are in fact hiring at the Bachelor of Social Work degree level and the Masters level.

MR. R. SPEAKER: Mr. Speaker, supplementary question to the minister. Could the minister indicate that all regulations and rules under The Public Service Act were adhered to in hiring the six regional directors recently appointed by the minister?

MR. BOGLE: Again, Mr. Speaker, my colleague the Minister responsible for Personnel Administration may wish to supplement my response, as his office was also involved in that process. Of the 118 candidates who applied for positions and the 13 who were actually certified, I'm perfectly satisfied that the department has in fact come up with six well-qualified individuals who will bring together a wealth of experience to fulfil the mandate and the responsibilities as outlined in the job descriptions for the regional directors in the six regions in the province.

MR. R. SPEAKER: Mr. Speaker, supplementary question. Could the minister indicate whether any contact was made with the minister's two constituents and supporters prior to their making applications for the jobs as regional directors?

MR. BOGLE: No more contact, Mr. Speaker, than was made with the former executive assistant to the present Leader of the Opposition, who was then the minister of health and social development. [interjections]

MR. R. SPEAKER: Mr. Speaker, for clarification, I wonder if the minister would repeat that answer so it's all understood quite well.

MR. BOGLE: Mr. Speaker, I realize that the hon. member doesn't always listen carefully to the responses given, but I did indicate that no more consideration was given to the two certified candidates he has referred to than to the one who was at one time an executive assistant to the then minister of health and social development, who is currently Leader of the Opposition in this Assembly.

MR. R. SPEAKER: Mr. Speaker, a supplementary question. Was the minister aware of, or did he participate in the selection of candidates as they were being interviewed? Was the minister involved in the total process, the interim process and the final selection of these two specific candidates?

MR. BOGLE: Mr. Speaker, the process followed in selecting regional directors for the department began with the completion of the terms of reference for the position. I did review that with the deputy minister of Social Services and Community Health and the associate deputy minister of delivery for the department. Advertisements were placed in daily newspapers in Alberta and selected daily newspapers in other parts of Canada.

I indicated that there were approximately 118 applicants for those positions. At that time, we called upon the expertise of the personnel administration office in eliminating from that list some candidates who, in the view of the official from the department, would not meet the criteria as set out by our department. Therefore, 29 candidates remained on the list. Each of those 29 individ-

uals were interviewed for approximately 90 minutes, and the interview process involved the official from personnel administration, the director of personnel from our department, the social services district administrator for the department, and the assistant deputy minister of the planning secretariat.

After that extensive and exhaustive process, 18 candidates were further interviewed for approximately three hours and, from that list, 13 candidates were certified as having the necessary qualifications to fulfil the responsibilities and carry out the mandate as defined in the job description for the positions. As the minister, I was involved at that time, along with the associate deputy minister for the department.

In all cases, the list, as identified in terms of priority by the four public servants, was followed and adhered to. In some cases, Mr. Speaker, candidates had indicated a preference or a willingness to go to one centre only. Therefore, if that individual could not be accommodated because someone higher on the list had selected that centre, we would go to the next candidate on the list.

MR. R. SPEAKER: Mr. Speaker, supplementary question. Could the minister clarify whether any direction was given to the selection committee with regard to hiring the two persons in question in terms of the total applications, the 29 interviews, or the final selection of 13?

MR. BOGLE: Certainly not, Mr. Speaker, and no more attention was given than to the hon. member's former executive assistant.

#### Case Concerning MLA

MR. R. SPEAKER: Mr. Speaker, I'd like to direct a second question to the Attorney General. It's with regard to a matter that has been raised and brought to my attention that members of the Legislature may be given special preference with regard to the application of the law. It's relative to the hon. Member for Calgary Mountain View. I'd like to ask the Attorney General whether the government will be proceeding with an appeal of that particular case.

MR. CRAWFORD: Mr. Speaker, I haven't reached a conclusion in respect of that matter yet. I have indicated to my officials that the case is to be handled in the same way as any other case of a similar type.

#### Wheat Board Meetings

MR. BATIUK: Mr. Speaker, I'd like to direct my question to the Minister of Agriculture. It's with reference to the advisory board of the Canadian Wheat Board. Mr. Minister, I am aware that the agriculture minister from Saskatchewan has been attending these meetings. Could the minister advise whether he has been attending any of them? If so, to what purpose and, if not, why not?

MR. SCHMIDT: Mr. Speaker, I had one invitation to visit the Canadian Wheat Board a week ago. It was also extended to the other ministers of agriculture for western Canada.

As to the question, I believe it relates to a regular meeting. I have not received an invitation to attend, nor have I attended any of their regular meetings, other than the one invitation, which was a very general meeting, a week ago.

MR. BATIUK: A supplementary question. Would the minister inquire why privileges have been given to some areas of the country and not to others, particularly if you have not been invited to any other meetings?

MR. SCHMIDT: Mr. Speaker, I'm sure the question will arise on our behalf in regard to attendance at meetings. I'm not too sure whether a privilege exists or whether we have not been invited to attend meetings and, if we asked, if we would be turned down.

#### Water Management

MR. NOTLEY: Mr. Speaker, I'd like to direct this question to the hon. Minister of Utilities and Telephones. Could he advise the Assembly what the situation is with respect to the study on bank stability as far as the proposed Dunvegan dam is concerned?

MR. SHABEN: Mr. Speaker, there has been no follow-up since I responded to a similar question in the spring sittings of the Legislature, subsequent to receiving the two proposals for developing hydro potential on the Peace River at Dunvegan, one from TransAlta Utilities and one from a group made up of Alberta Power, Edmonton Power, and Medicine Hat Power. In the proposal of the group made up of the three utilities, there was some suggestion that there may be a difficulty with bank stability. When we received that comment in that proposal, we hired a consulting firm which confirmed that there may be a problem; however, recommended that detailed engineering studies take place. There has been no further testing, which would be extensive and costly. However, I haven't made a decision yet as to how we may proceed with that testing or whether it shall proceed.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. minister. What process of review is now taking place? Is the minister going to make this decision in concert with both of the proponents, TransAlta as well as the joint venture, or will it be done exclusively by the department? What time frame is the government looking at to determine whether or not a further investigation on the stability question will be made?

MR. SHABEN: Mr. Speaker, the nature of the field investigation and the geotechnical work required either to confirm or set aside concerns with respect to bank stability would have to be undertaken in the summer. Therefore, the matter will be thoroughly considered throughout the course of the winter by the Department of Utilities and Telephones, in concert with those who have made application to develop the potential, as well as the government itself, as to how we might proceed with further tests.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. minister. What review is being made of the economics of either the Dunvegan site or the site on the Slave River as a result of the power grid arrangement proposal, particularly in light of Mr. Lyon's announcement that massive commitments may be made by that province in the development of hydro-electric potential? Has there been any specific review of the impact on these two specific projects in Alberta of Manitoba proceeding with major power development?

MR. SHABEN: Mr. Speaker, in examining potential sources of electric energy for the province, the Electric Utility Planning Council, as well as the government through the Department of Utilities and Telephones, look at all possible sources, including those mentioned by the member.

With respect to the Slave River — and my colleague the Minister of Environment may wish to comment — in the past two years, we have asked the study team to accelerate their work so that we can have a completed report. We expect that report to be completed some time next year. That's very important, in terms of assessing potential sources of electric energy.

With respect to the possible importation of electric energy from Manitoba, those discussions and negotiations between Saskatchewan and Manitoba have been going on quite intensively during the past summer, particularly since the meeting of the western premiers in Thompson, Manitoba.

MR. NOTLEY: A supplementary question.

MR. SPEAKER: Followed by a supplementary from the hon. Member for Camrose.

MR. NOTLEY: Can the minister advise whether the economics of power sharing through a power grid, with Manitoba in particular, as the producer of most of this power, is going to have a major impact on the time frame the government announced in the spring of 1980, as I recall, with respect to the development of Dunvegan, in terms of the importance and the commitment to that development indicated by the hon. Premier in April 1980?

MR. SHABEN: Mr. Speaker, since there has been no final decision or agreement between the three provinces with respect to a western electric power intertie, we have to look at all the options available to the people of Alberta in terms of supplying electric energy. Each source has to be examined in different ways.

As members know, thermal development plants, which largely supply Alberta's needs, generally have a 30- to 35-year life, whereas hydro developments generally have a life of 70 to 100 years. So the economics vary, depending on the term in which a person is examining the project. With generally higher front-end costs for hydro developments, the benefits to consumers accrue later on in the life of a project, as opposed to thermal. But we do look at all aspects. Of course, the final decision with respect to determining which site should go forward is not made until we have a recommendation by the Energy Resources Conservation Board, whose advice is most important to the government.

MR. STROMBERG: A supplementary to the minister, Mr. Speaker. In the ongoing plans for the Slave River, has agreement been reached with the federal government as to the consequences of flooding their lands in Wood Buffalo Park, and especially in the lands in the delta of the park?

MR. SHABEN: Mr. Speaker, I would refer that question to the Minister of Environment.

MR. COOKSON: Mr. Speaker, the recent trip to the Slave River area to observe the work going on there gave me an opportunity to see first-hand the complexity of the development. To answer the question specifically, we are

working with the federal government and the Northwest Territories, and we have struck a special committee representing Alberta, the Northwest Territories, and the federal government. We are doing further environmental impact assessment of the total picture to know where we're at sometime in the future.

MR. STROMBERG: A supplementary. I don't think the minister understood me. Has agreement in principle been reached with the federal government that, if the dam proceeds, they will have no objections to flooding on their land?

MR. COOKSON: I think that would be premature, Mr. Speaker. I could check on it, but I don't think we've arrived at any agreement, because we aren't certain yet as to the exact location of the dam. Several sites are being surveyed. Once we arrive at the merits or demerits of the various sites, we'll weigh them. This will determine the impact on Wood Buffalo Park in particular. At that time, we would probably enter into some type of negotiations with the federal government on that.

MR. STROMBERG: My last supplementary question, Mr. Speaker. If the federal government views it negatively and says no, would that mean that the dam does not go ahead?

MR. SPEAKER: The hon. member's question is clearly hypothetical.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. Minister of Utilities and Telephones. Has any preliminary study been made by the government of Alberta or either of the proponents with respect to a different site, and instead of the medium dam, a low-head dam?

MR. SHABEN: Mr. Speaker, in the course of the work done in the '70s and concluded in 1977, the optimum site selected was the one on which the government asked for and received proposals. The height of the dam, either a low-, medium-, or high-head, depended principally on whether or not British Columbia would permit a medium- or high-head dam, because either one of those would have caused water to be backed into British Columbia. Since British Columbia was not prepared to accept a medium- or high-head dam, the government chose to ask for proposals based on the low-head.

There has been no further study on alternate sites along the river that may or may not be less stable. I think it would be premature to do so until detailed geotechnical tests are performed at the optimum site that is being considered now.

DR. BUCK: Mr. Speaker, a supplementary question to the Minister of Environment. It is brought to my attention, Mr. Minister, that as petrochemical plants are being built along the North Saskatchewan . . . Is the minister in a position to indicate, or does the minister have any studies to indicate, when we'll be requiring a dam downstream from, say, the city of Edmonton, to store water for the use of the petrochemical industry?

MR. COOKSON: Mr. Speaker, my information is that there are very few potential dam sites downstream of the city of Edmonton. There is sufficient evidence to indicate a very adequate supply of water at the present time, with

the controls upstream of Edmonton to control the high and low flows during winter and summer. At the present time, I don't perceive any great urgency as far as water supply from the North Saskatchewan is concerned. The plants that are contemplated, proposed, will derive much of their water supply from the North Saskatchewan, and they are not such massive water consumers that the river is not adequate.

DR. BUCK: Mr. Speaker, can the minister indicate what discussions he has had with his counterparts in Saskatchewan and Manitoba as to the maintenance of an adequate water supply for: one, pollution control; and two, to make sure there is sufficient water downstream to the communities that do take their water from the North Saskatchewan?

MR. COOKSON: Mr. Speaker, the prairie water management board is in place, made up of representation from the prairie provinces. An agreement is in place which essentially spells out the amount of water we are committed to supply, in this case, to Saskatchewan, then subsequently to Manitoba. Under that prairie water agreement, I think we're committed to 50 per cent of the total flow yearly through the system. They meet regularly, and I have not had any particular concern expressed, for the present time at least, about not being able to meet the commitment to the other provinces.

#### Grain Marketing

MR. MANDEVILLE: Mr. Speaker, my question to the hon. Minister of Agriculture is with regard to the record crop harvested in Alberta this year. Has the minister taken any special steps to see that this record crop is able to be sold by the farmers in the province?

MR. SCHMIDT: Mr. Speaker, the meeting of the Canadian Wheat Board in Winnipeg, to which I was invited along with the other ministers of agriculture for western Canada, dealt basically with the operation of the Wheat Board and the target established for the disposition of this crop, which includes the record crop for the province of Alberta.

The Canadian Wheat Board target, if I remember correctly, was 26 million tons for western Canada, and that would take into consideration about the total production, less a carry-over of approximately 15 to 2 million tons. It was the estimate and goal of the Canadian Wheat Board that they would meet that target, both as a market and in delivery. If that is the case, Mr. Speaker, the record crop, of which we have within the province 15 million tons, is part of that 26 million. They were quite confident they could meet that challenge.

MR. MANDEVILLE: Mr. Speaker, a supplementary question to either the Minister of Agriculture or the Minister of Economic Development. Could they explain to the Legislature how they allocate the Alberta grain cars to the various companies? I'm thinking of the Alberta Terminals we have now, taken over from the federal government. What method do they use for allocating? Do they get special privileges on Alberta grain, or do they have the same privileges as the grain companies?

MR. PLANCHE: Mr. Speaker, 1,000 cars were assigned to CPR and CNR, based on a pro rata share of the total car fleet they presently enjoy. The cars are

handled through the Grain Transportation Authority and the Canadian Wheat Board in the normal manner, with the one exception that our contract with them reads that the cars will not go east of the Lakehead or into the U.S. without our specific permission.

MR. MANDEVILLE: A supplementary question to the hon. Minister of Economic Development. Could he indicate if the three inland terminals we have in Alberta are operating to full capacity?

MR. PLANCHE: I have to defer that question to the Minister of Agriculture.

MR. SCHMIDT: Mr. Speaker, I have not received any word to the contrary from any of the three terminals, so at this particular time I can only assume that they're operating in a normal way. I would certainly check for the hon. member the amounts, percentages, of grain on storage at the present time, and report back.

MR. MANDEVILLE: One further supplementary question to the hon. Minister of Economic Development with regard to the Prince Rupert terminal. Could the minister indicate when the terminal is going to be complete, and if there's any consideration to giving more? Right at the present time, I think \$200 million from the heritage trust fund is invested there, but in light of the heavy crop, is the minister considering putting any more money into this particular grain terminal?

MR. PLANCHE: Mr. Speaker, as I recall, the site clearing is under way now. Access to the terminal for beginning of construction will be in May next year. We have responded with about \$107 million in commercial bonds and the balance in participating debentures, sharing the participating debentures with a consortium as costs become more definite. The consortium has been reluctant to increase their investment until it's determined that it's not going to affect their Vancouver throughput, as I understand it. But I'm sure we would respond in terms of not only another berth for vessel but for surge capacity, which I think would bring another 15 million a year through the terminal, if necessary.

MR. MANDEVILLE: A final supplementary question, Mr. Speaker. Has the minister had any recent communication with federal officials to see if they're going to meet their commitments as far as the Prince Rupert terminal is concerned?

MR. PLANCHE: Yes, I have, Mr. Speaker. Everything seems to be on track. There still is the option for the consortium to withdraw sometime in the spring, if they should so choose, and forfeit part of the investment they have now. But everything that I now know leads me to believe it's on schedule and under way.

#### Rail Service

DR. REID: Mr. Speaker, my question is addressed to the Minister of Tourism and Small Business. It's to do with the federal government's unilateral withdrawal of Via rail service from Vancouver through Jasper and Edmonton, a withdrawal which, I might add, has very significant effects upon the tourist business in one community in my constituency, Jasper, and a withdrawal for which there was no consultation or hearings. Has the minister had

any recent communications or discussions with M. Pepin on the possible non-withdrawal of this vital service to Jasper?

MR. ADAIR: Mr. Speaker, the last contact I had with the federal minister was prior to my leaving on the Japan mission. But I should point out that while we were in Japan, officials from the Department of Tourism and Small Business did meet with M. Pepin's officials, at their request, to discuss the day report we provided to them in the meeting we had on August 13.

While we were in Japan, we encountered a fair amount of concern expressed to us by the Japanese Association of Travel Agents. As a result of that, the deputy minister sent a telegram to the CTC, Mr. Armstrong, expressing some grave concerns about the unilateral cessation of service to be effective November 15.

DR. REID: A supplementary, Mr. Speaker. I'm glad to hear there were some discussions with the Japanese who, of course, are a significant part of that tourist business. Has there been any reply from M. Pepin or his department, subsequent to that telegram?

MR. ADAIR: No, Mr. Speaker, there has not, although we have requested another meeting. Following an indication by the federal minister on August 13, we had hoped that we might have another meeting somewhere near the end of September or the early part of October. That has not been followed up at this point.

DR. REID: A supplementary, again to the minister. Has any part been taken by his department or his officials in the Transport 2000 Viva Via train, which I think goes through Edmonton on Saturday?

MR. ADAIR: I assume you're speaking from a financial point of view, and I must respond, no. But I might refer that question to my colleague the hon. Minister of Consumer and Corporate Affairs.

MR. KOZIAK: Mr. Speaker, perhaps I can supplement that answer by indicating that looking upon Transport 2000 as a consumer group pursuing, on behalf of consumers in this province, the right of consumers to an enjoyable and cheap method of transportation, last month I authorized a grant of some \$6,675 to Transport 2000 to assist them with their efforts in connection with the train and with other matters.

Mr. Speaker, I might also point out that my family and I had the pleasure of traveling to Winnipeg by Via on the Thanksgiving weekend. It would be a real shame if that method of transportation were not available to Canadians in general. I found the train was packed and the people who were traveling were enjoying that method of travel. I would be very concerned if, in the future, Edmontonians and Canadians in general lost that opportunity to travel in this way across this country.

SOME HON. MEMBERS: Agreed.

#### Teachers' Working Conditions

MR. R. CLARK: Mr. Speaker, my question is to the Minister of Education, following up on the questions I ask yesterday. The question, very direct to the minister is: will the recently established task force on educational

funding include within its mandate a consideration of recommendations 1 and 2 from the Kratzmann report?

MR. KING: No, Mr. Speaker.

MR. R. CLARK: Mr. Speaker, to the minister. Will the minister indicate to the Assembly when he changed his mind on that matter?

MR. KING: Never, Mr. Speaker.

MR. R. CLARK: Mr. Speaker, if the minister would care to check the May 4 *Hansard*, during the study of the minister's estimates last year, he said:

Stage two will analyse all the financial information we have gathered . . . and recommend . . . [It] will be a co-operative venture. . . in that light, [it] will consider particularly recommendations one and two of the Kratzmann commission report.

When did the minister change his mind?

MR. KING: Never, Mr. Speaker, never. Perhaps on an earlier occasion I was a little slack with my use of the English language. [interjections]

The job of the task force, Mr. Speaker, as has been said on numerous occasions, including the one recently alluded to, is to consider an educational finance model for the province. A part of their mandate includes a consideration of what constitutes basic education in the province, whether or not our definition of basic education may be held to be common through all jurisdictions in the province or, in the alternate, whether our concept of basic education would be different in the Northland School Division than in the Edmonton Public School Board system, and to consider the role of enrichment as a part of any educational program.

Indirectly, inputs and input costs, including the cost of staff and pupil/teacher ratio, may well be considered by the task force since, indirectly, it is part of the mandate of the task force. But recommendations numbered 1 and 2, as such, were not submitted to the task force for its consideration.

#### Extended Flat Rate Calling

DR. BUCK: Mr. Speaker, I'd like to address a question to the Associate Minister of Telephones. Going over *Hansard*, Mr. Speaker, I'd just like to know from the minister — I was trying to follow exactly what he was trying to tell us — if he can indicate at this time if the entire extended flat rate calling program, the 34-mile limit, has been completed?

DR. WEBBER: Mr. Speaker, the program has not been completed. A number of exchanges will be coming on stream in the next six to eight months, I believe. Consideration will be given to other exchanges in the future; however, as I pointed out yesterday, the concept of buying time blocks, if successful, I think could eventually replace that EFRC program.

DR. BUCK: Mr. Speaker, then can the minister indicate, when we are looking at communities, if they are within the 34-mile limit, using Redwater-Lamont-Bruderheim as an example, where these people in that area do not wish to have the flat rate dialing to the community closest to them but most everybody wants to call Edmonton or Calgary, what choice those people have at this time?

DR. WEBBER: Well, Mr. Speaker, in terms of the choice at this time, if more than 50 per cent of the people in a given exchange vote for flat rate calling to a particular market centre, they'll get the flat rate calling to that centre. When the trial with regard to buying time blocks is complete, the trial involves phoning to adjacent exchanges and not beyond the adjacent exchanges. However, the trial is precisely that: a trial. In the future, it's possible that that particular type of program could extend even beyond the neighboring exchanges. At this point, however, we're not looking beyond the neighboring exchanges.

DR. BUCK: Mr. Speaker, to the hon. minister, on a point of clarification. Using Lamont for an example — because as a major centre between Lamont and Edmonton, Fort Saskatchewan is the market area — is the minister saying that those people can ask for extended flat rate dialing from Lamont to Edmonton, bypassing Fort Saskatchewan, if they wish to ballot at this time? The information we received, Mr. Speaker, is that they would not have that choice.

DR. WEBBER: The example the hon. member gives me now is an example of an exchange where they already have flat rate calling to Fort Saskatchewan. If an exchange has flat rate calling to a particular centre, they are under the program and are not eligible for flat rate calling to another market centre.

DR. BUCK: Mr. Speaker, to the hon. minister. Just so the record is clear and so people can understand, when people had that option of voting, Mr. Minister, they did not have the option of voting from Lamont to Edmonton. They had only one choice: Lamont-Fort Saskatchewan or, say, Lamont-Mundare. They did not have the choice of extended flat rate dialing to the city of Edmonton.

DR. WEBBER: Mr. Speaker, we could go into the historical aspects of what happened in that particular exchange. However, the fact is that today they have flat rate calling to Fort Saskatchewan and are not eligible for flat rate calling anywhere else.

### ORDERS OF THE DAY

MR. SPEAKER: Before we proceed with this afternoon's business, might I respectfully draw the Assembly's attention to Motion No. 219, which is No. 18 on page 6 of the votes for today, a motion by the hon. Leader of the Opposition. As far as I am aware there is nothing wrong with having this motion on the Order Paper, but I would find difficulty if we were going to proceed with it before the results of the inquiry, that we all know about, were published. I have no way of telling whether there will be a decision or a report from that inquiry by Thursday. If there were, presumably we could proceed with the motion. If there were not, it would be contrary not only to the spirit of our *Standing Orders* but also to good parliamentary practice to debate a matter which is clearly before an inquiry of this kind.

MR. R. SPEAKER: Mr. Speaker, on the point of order, that was one of the considerations I made prior to putting this motion on the Order Paper. The matter before the

Brennan inquiry is not this matter specifically. I haven't the record of the court hearings before me at the present time, but in there I believe Justice Brennan makes the comment that the matter at hand is not one under his consideration. I will bring that area of the record to your attention, discuss the matter further with you and, hopefully, clarify that matter.

MR. SPEAKER: If it's abundantly clear that this is not included in the inquiry, then of course the objection that I mentioned doesn't exist. But if it is before the inquiry in any significant way, then of course we ought not to debate the matter until after the results of the inquiry are known.

MR. CRAWFORD: Mr. Speaker, maybe I could make a comment or so with respect to it. What Your Honour would be looking at, of course, is citation 335. It is not explicit in the area to which the hon. Leader of the Opposition has referred. What it does is point out that the sub-judice convention may be applied in respect of "persons who stand to be affected by the outcome of a judicial inquiry".

I have not read the evidence given by the hon. Member for Whitecourt and the observations of Mr. Justice Brennan on the record that the hon. leader refers to. However, I think it may well be from what he said that Your Honour would conclude that the matter is so clearly not involved in the hearings before the Brennan inquiry that it could go ahead. If, though, Your Honour comes to another conclusion based on a broad interpretation of rule 335, we would be willing to accommodate the deliberations the House should have with respect to it by other means. That is, if Thursday is not to be the day, based on Your Honour's view, we wouldn't object to it being designated again at a time subsequent to the report if that's what it turns upon. In such a case, the very minimum of formalities with regard to it would satisfy us as to whether the notice is written or oral.

The motion does little credit to the Leader of the Opposition . . .

MR. R. SPEAKER: Mr. Speaker, on a point of order. In making his points with regard to the point of order or point of privilege, if the Attorney General can keep to subject — if he wishes to refer to my bringing the matter in and my credibility in this role as Leader of the Opposition — fine; let the debate occur. But that is not the subject at hand at the moment.

MR. CRAWFORD: Mr. Speaker, the hon. leader's credibility speaks for itself.

MR. R. CLARK: So does the Attorney General's.

### head: MOTIONS FOR RETURNS

137. Mr. R. Speaker moved that an order of the Assembly do issue for a return showing:

- (1) copies of all assessments undertaken by the Department of Housing and Public Works as to the market value, physical condition, and general suitability of the property located at No. 1 Mount Street in London, England, leased as a residence for Alberta's Agent General;
- (2) a copy of the lease agreement for the aforementioned property;

- (3) copies of all comparative assessments undertaken by the Department of Housing and Public Works as to market value and type of residence for each Agent General or official of equivalent stature of other Canadian provinces which maintain London offices;
- (4) the written policy of each government department with respect to the acquisition of residential property outside the province for the accommodation of public officials.

MR. R. SPEAKER: Mr. Speaker, I would like to move Motion 137 standing in my name and make three amendments to sections (1), (2), and (3), that have been discussed with the Minister of Housing and Public Works.

MR. SPEAKER: I think it's somewhat unusual to amend one's own motion. However, the Assembly can do a great variety of things by unanimous consent.

MR. HORSMAN: Mr. Speaker, on behalf of the government on this particular issue, we are only too happy to provide the unanimous consent to the hon. Leader of the Opposition to amend the motion in question.

MR. SPEAKER: Very well, but that doesn't discharge the responsibility of the Chair. I realize it's very, very flattering indeed to assume that the Chair can make an instant assessment of a proposed amendment of which no notice has been given to the Chair. Assuming these proposed amendments are in order, however, as is the case with most amendments in the Assembly, perhaps we could proceed with them.

MR. R. SPEAKER: Mr. Speaker, I guess I was only making the suggestion in terms of saving time and showing agreement from this side of the House.

The three amendments are as follows: in Section 1, I would remove the words "No. 1 Mount Street" and insert the words "No. 7, 15 Grosvenor Square". The second item, I would withdraw the word "lease" and insert the words "form of". In the third clause, I would insert the words "or others on behalf of the Government of Alberta" after "Housing and Public Works".

MR. SPEAKER: Does the Assembly agree with the proposed amendments?

[Motion amended as proposed]

CLERK: Motions Other Than Government Motions. Motion No. 201, adjourned debate: Mr. Clark.

MR. SPEAKER: I'm sorry. I'm not aware that we've disposed of No. 137; we've only amended it. Have we gone beyond that?

MR. R. SPEAKER: Mr. Speaker, I move Motion 137 as amended.

[Motion as amended carried]

#### head: MOTIONS OTHER THAN GOVERNMENT MOTIONS

201. Moved by Mr. Batiuk:

Be it resolved that the Legislative Assembly urge the

government to consider entering into negotiations with the government of Canada to withdraw Alberta from the Canadian Wheat Board designated area.

[Adjourned debate April 7: Mr. L. Clark]

MR. L. CLARK: Mr. Speaker, it was quite a while ago last spring when I spoke on Motion 201, and I would like to review very briefly some of my remarks at that time. Then in closing, I would like to bring what I believe are some very real problems out there in the grain industry today in regard to quotas and in relationship to the cash flow farmers find themselves in trouble with at the present time.

I started out last year by giving the history of the Wheat Board and emphasizing that it was originally formed just for the marketing of wheat. Since that time, it has assumed responsibility for all other grains. I gave an example of what I thought was some of the unfairness in the quota system being imposed on farmers by the Wheat Board, especially in irrigation farms where they have a very high input cost and their quotas are usually very low due to the method set under the Wheat Board. I also spoke for a while on MAP. This program has been withdrawn; permanently, we hope.

To begin, Mr. Speaker, I would like to bring before the Assembly what I really believe the majority of farmers — at least those in my area, and I come from one of the larger farming areas in the province — would like to see. Number one, I believe the farmers in Alberta would like to see the Wheat Board retained, but they do not want absolute control over their industry such as set out in MAP. Number two, they would like a more fair and equitable quota system so everybody has a fair and equal chance at the money available in the first quota in the fall to pay expenses with. Three, they would like to dispose of their surplus grain on the open market. I'd like to elaborate just a little on why they have to have this.

The reasons are high interest rates and high input costs. Farmers can no longer afford to hold their grain for a six-month to a year period. Maybe it's time this country as a whole began to look at supplying storage at cost for farmers. I would like to expand a little on that.

Wheat, or grain as a whole, is still our major export in Canada and, as such, plays a very important part in our balance of payments with other countries. I believe that grain is an important enough commodity to the Canadian economy that there should be in store enough grain on track at all times for at least one year's supply. This is just more or less to meet the export obligations Canada has. Many times we've been short of these; we haven't been able to fulfil our export obligations.

I also believe it shouldn't be up to the farmers and the farming industry to pick up all the storage costs of such an important commodity as this. When it comes to an export as important as grain is to Canada, I believe that Canadians as a whole should have some responsibility in picking up these costs. Surely Canadians as a whole have an obligation to ensure that there is always an adequate supply of grain on track for export, and surely Canada has some obligation to supply a market for our farmers, who in turn are supplying a major export for the good of all Canada.

One reason they must have this is that, as I said before, like any other industry they have to have a cash flow. We used to call it a cash crop, but since the Canadian Wheat Board has taken absolute control over all the grains there is no longer any such thing as a cash crop. We used to



contract grain so we'd have a cash crop in the fall. Now most of these so-called contract crops, like mustard, are still sitting in our bins because of the rail system that is controlled mainly by the federal government, and it is impossible to get them to the export market. So there are no longer any cash crops.

Some of us used to use cattle as a cash crop or cash flow. I've had a few of these little moneymakers around for a year or so. I will admit that they do help my cash flow, but it's flowing in the wrong direction.

DR. BUCK: Tell Dallas that.

MRS. CRIPPS: It's like pulling teeth.

MR. L. CLARK: I don't want to take too much time because I spoke at length before, but I would like to close with a few remarks about our transportation system — and I'm afraid they're not too complimentary — which, through neglect on the part of the railroads and the federal government, is actually coming into a state of emergency in western Canada. It is my understanding that now we not only have a quota on grains but in the very near future we'll also have a quota on boxcars due to the limitation of the grain handling system within this country. With the Crow rates, it is almost certain that grain will have the lowest priority when it comes to boxcar allocation under a quota system.

In conclusion, I would like to say that I don't believe that our farmers and the farming industry can stand high interest and low prices — lower prices, because grain prices went down this fall — tight quotas, high land input costs coupled with no cash flow or cash crops, high storage and demurrage charges. When you add to this what possibly could well be the end of our feeding industry in Alberta and, in my estimation, an impending disaster in the transportation system, I believe we are also facing a disaster in the grain industry like we haven't seen for many years. I think that goes right back to the '30s, when we had a disaster in our grain industry when the Wheat Board was formed. I hope the Wheat Board, which has really unilaterally assumed the responsibilities of the total grain industry in this province and western Canada, will wake up to the facts of what is taking place and will also take the responsibility of trying to correct this situation before it's too late.

Thank you, Mr. Speaker.

MR. LYSONS: Mr. Speaker, I'd like to address briefly this motion regarding the Legislative Assembly urging the government to look at withdrawing from the Canadian Wheat Board. The Canadian Wheat Board is only effective for prairie farmers and those farmers living in the Peace River block of British Columbia. It doesn't affect Ontario farmers, Quebec farmers, maritimes farmers, or the rest of British Columbia.

This motion was put on the floor of the Legislature because the Canadian Wheat Board and the advisory group wanted to have a market assurance plan. Well, I only attended one meeting that was to deal with the market assurance plan. The speaker from the Canadian Wheat Board — and I don't remember the gentleman's name now — certainly didn't give a very clear picture of what they wanted to do with MAP. It was on that basis that this motion was put on the floor, I'm sure. It was over MAP and not just to withdraw from the Canadian Wheat Board designated area.

The Canadian Wheat Board can work, will work, and

has worked. I suppose the clearest example of that was when Mr. Mazankowski was the federal Minister of Transport. He got things rolling and working. He had farmers believing that it could work. When you have people believing in what you're doing, things do work a whole lot easier. But the Canadian Wheat Board has the biggest handicap of all when it has to deal with federal politicians who aren't particularly interested in making things work. We simply have to look at some of the allocations of grain to the different terminals. For instance, Churchill terminal normally sits empty all winter. Just prior to when the shipping season starts, they start shipping grain to Churchill. That's when the frost is coming out of the tundra, and the rail beds are in terrible shape. There's no reason we couldn't have 2 or 3 million bushels in storage at Churchill, hauled up there during the winter when there really isn't much freight using the line in any case. Then we have a lot of the boxcars sitting idle across the prairies because Thunder Bay is closed down at that particular time. The Canadian Wheat Board tells us that they won't put grain into Churchill until they have orders for it. Of course, they won't have orders if they're not telling people they have grain to ship out of there. We have the same problem in other terminals as well.

I used to know of about 30 different organizations and groups of people, including the Canadian Wheat Board, who dealt with grain handling: the shippers' association, the Canadian grains council, and on and on. Apparently there are about double that number after a study was entered into. When you get even 30 people meddling with the grain transportation system, you can't help but have errors.

I would like to see us take a good look at the transportation and handling of grain. Let's pretend, if we may, that we have no railway, no ports in place, and no road. We're just starting from scratch, looking at the broad plains and saying, if we're going to move a commodity out of here, how are we going to do it and which way will we go? I honestly believe that we can, and eventually will, come up with a facility — and perhaps it could be the Canadian Wheat Board, and if it is, fine — that could take a look at the broad picture from a western Canadian point of view; not an Ontario, Quebec, or British Columbia point of view but a prairie province view, because we are largely the producers of grain.

We often hear of people wanting to have all grains under the control of the Canadian Wheat Board. I believe that cereal grains destined for human consumption, in particular those grains destined for export, should very likely be under the Canadian Wheat Board. All those other grains and oilseeds could be in any form acceptable to the producers. Right now, we have some people looking at trucking their grain to the tidewater and hiring their own ship to ship this grain out. Apparently, there is some outside chance of it actually working. If that works and we can by-pass the system that quickly and easily, maybe these farmers are about 20 years ahead of anyone else. I sure wish them well.

The export buyers tell us that our main problem is that we try to ship grain in too large a quantity. Most of the smaller countries that could well be buying our grain aren't able to handle these huge ships. I've been told that in some of the countries buying our grain, they unload those ships with pails, bags, and baskets. They don't use augers, clamshell buckets, and things like that. They use pails and bags. So they certainly want the smaller loads of grain.

The Canadian Wheat Board is really an arm of the federal government, not an arm of the farmer. So many people think it is, but it's an arm of the federal government. Nothing is happening with the Canadian Wheat Board or nothing can move without the federal government in Ottawa saying, this is what we want. I believe that the people working for the Canadian Wheat Board are the same as anyone else. They're interested in doing a good job and an honest job. But when they're told to do things a certain way — and it's clear they are told to do things in a certain way — to satisfy a political system that's almost foreign to the prairie provinces producing the grain, it has to have an impact on us out here.

The Canadian Wheat Board is blamed for many of the ills we as farmers complain about. They're only part of a very complicated system. If the vehicle of the Canadian Wheat Board could be moved from an Ottawa administration to a prairie administration and have the directors of that Canadian Wheat Board appointed by the provincial governments rather than the federal government, I see no problem in solving most of their problems. As well, with the handling of grain — and one of the very serious problems the Canadian Wheat Board told me is that they don't have enough surge capacity at tidewater. Their ability to handle and sell grain is limited because of their actual capacity.

For instance, if they have 10 million bushels of storage in Vancouver, the way the storage and terminals are set up they can only utilize or handle about 6 or 7 million bushels of grain out of 10 million bushels storage. Some bins are empty, some are different qualities of grain. When you're looking at approximately 45 or more different grades and types of grain, of course, you can see where a lot of bins may have just a few loads and others plugged and running over the top. The Canadian Wheat Board says that if it had double or triple the storage, a great many of our transportation problems would be solved. But we find a reluctance, if you like, from the powers that be to provide this additional surge capacity.

They also told me — and the Hall commission bore that out — that our grades and standards of grain are far, far too high for our ability to sell. For instance, people in Japan who may be buying our wheat also feed cattle and livestock. They don't mind the weed seeds. They buy it anyway, and have to reclean it several times before they can start grinding it up for flour. So they don't mind if it has 3 per cent or 10 per cent dockage or whatever because they have to buy the grain anyway. Clearly that is not the fault of the Canadian Wheat Board, but because of that problem the Canadian Wheat Board looks bad in the eyes of the farmer. I don't know where we would start to get some of those things changed without perhaps changing the government in Ottawa. I think every one of us here is agreed to that, and I don't think there are any exceptions.

I would like to thank the Member for Vegreville for bringing this motion before the Legislature. There is certainly room for debate, but I would say to the hon. Member for Vegreville that rather than our frightening people that we're going to withdraw from the Canadian Wheat Board or from other things, we should probably be asking the government of the province of Alberta to have the federal government look at some of the very, very basic changes that the Hall commission, Chief Justice Emmett Hall's report — to have some of those basic changes, plus some others, implemented, rather than just knocking the Canadian Wheat Board, although I do believe that it does require some knocking once in a while, the same as anyone else. We certainly are better off by

having the Canadian Wheat Board than some countries, but some of those countries we're better off than don't have as many of the other alternatives we have.

Mr. Speaker, I'd like to thank you for having the time this afternoon to address this motion.

MR. FJORDBOTTEN: It's a privilege for me to rise in my place and speak on Motion 201. Last April 7, the Member for Vegreville said that his reason for bringing the motion forward was the intention at that time of the Canadian Wheat Board to bring in the market assurance program. I spoke on that particular motion on MAP, and I stated that MAP was shelved at that time. Gordon MacMurchy, the Saskatchewan Minister of Agriculture, had urged the advisory committee to reconsider and continue to bring the plan forward. This should really concern all producers in Alberta. We stood against that, and it has been shelved. But it's likely going to be continually brought back. So a continued debate on this issue should keep the pressure on so we don't see that come back.

The Canadian Wheat Board minister, Hazen Argue, said he felt the committee made the right decision, and predicted that the last has certainly not been heard of MAP. Speaking on this motion today, realizing that the Canadian Wheat Board really has a monopoly, in some ways what we're debating is the efficiency of a monopoly against the efficiency of competition.

When the Canadian Wheat Board was set up, I find that the Canadian council of agriculture asked for a board similar to the one in the United States called the grain corporation, with like power and functions. The U.S. grain corporation, however, was solely a minimum price support board and bought wheat only when it was needed. However, this new Canadian Wheat Board had a monopoly control of wheat in the domestic and foreign markets and flour in foreign markets, something that has clearly been lost in the translation. One person the writer contacted said that Ottawa did this to protect the price of the central Canadian livestock producer and markets. Now it certainly hasn't changed much, going back from that time till now.

In 1943 the Canadian Wheat Board monopoly control in Ottawa became the recipient of Canadian wheat. In August 1949 the Wheat Board began controlling the marketing of oats and barley produced in western Canada. Under Section 21 of the Canadian Wheat Board Act, Alberta is included as part of the designated area spoken of in this motion. By that virtue, under Section 13(1) of that Act it has supreme control of grain that enters elevators, warehouses, or mills, that has been declared by parliament to be the work for the general advantage of Canada. Grain is defined by the Act as wheat, oats, barley, rye, flaxseed, rapeseed or canola. The Act further reinforces the Canadian Wheat Board's monopoly authority, including railcar allocation. So it certainly does have a monopoly in the grain situation in Canada today.

In practice, therefore, the Board has a monopoly over all grain in interprovincial and international trade. The producer must come in contact with the board on any transaction made within provincial boundaries. I know if I deliver grain or barley to a feedmill, I have to take my permit book in and have it put in the permit book.

Last month I was privileged to be in Bahrain, in the Persian Gulf. They said to us that they would like to buy wheat, barley, canola oil, or premix poultry feed from us, but the Wheat Board hasn't been there for between 14 and 17 years; hasn't even discussed it with them. Now I'm sure a little competition wouldn't hurt them. Twenty-five

years ago, Canada and the U.S. each had a 25 per cent share of the world market in wheat. In 1979 and 1980, our share of the world wheat trade in grain and oilseeds had dropped to 9 per cent. The U.S. share had increased to 61 per cent. So here in Canada, we have dropped from 25 per cent to 9 per cent; the United States has gone up from 25 per cent to 61 per cent. I can't believe anyone would even suggest that the Canadian Wheat Board has done a great job in that case.

Something you might find unique: according to the Palliser Wheat Growers, China produced four times as much wheat as we did — this is a believe it or not — and they threshed 90 per cent of it by hand. Now we can certainly grow it here. The soft white wheat area south of Calgary last year produced 295,000 tonnes on 148,000 acres. Ninety per cent of that production was south of Calgary. We can certainly grow it if somebody gets out and sells it.

Do you feel a little competition wouldn't hurt? That's certainly what I feel. There are a million acres in 13 irrigation districts, and farmers are irrigating about 900,000 acres. That can be increased. If we get a drainage program going, we can drain a lot of land and also increase it. We certainly have to get out and work on it.

Now, you can talk on one hand and on the other hand. On one hand, we can say the Canadian Wheat Board has served useful purposes in some ways by bringing some degree of stability to the producer when international markets were turbulent. However, the Canadian Wheat Board buys grain from us, stores it, ships it, and deducts all the expenses. Then it makes a final payment which, I wish to emphasize, is after it deducts all expenses of doing the job. But where is the accountability of the Canadian Wheat Board? The producers have no right to look at its books. We have to go through the Canadian Wheat Board because there is no alternative. But I think we should have a right to look at those books.

When I look at the producers in Stavely, in my constituency, who are being taken to court on an individual basis by the Canadian Wheat Board, I can't believe they would use our own money to harass us. Personally, I think it's harassment. Those 50 producers are probably going to pay the fine, rather than have to go to court and be bothered with it all.

DR. BUCK: Is that before the court now?

MR. FJORDBOTTEN: I already checked that. I could say that. I could go that far.

DR. BUCK: Just keeping the Speaker on his toes.

MR. FJORDBOTTEN: In a recent survey of 604 Alberta producers conducted by CanWest survey group, one-third felt the Canadian Wheat Board needed reorganizing. I think that's a pretty significant number. Five per cent felt the board did a good job of selling grain, but 63 per cent felt it was only average or good. Forty-four per cent of the respondents felt they could not trust the Canadian Wheat Board, but 49 per cent felt they could. It was relatively close. Forty per cent felt grain company marketing would be equal to the Canadian Wheat Board, and 35 per cent felt that grain company marketing would be better.

As I was looking into what I would say today, I came across some statistics that really disturbed me. In 1979-80, according to the Wheat Board annual report, it spent \$17,347 on market development. In '79-80, it spent

\$48,500, so what it spends on marketing dropped from \$48,500 to \$17,000. A lot of places would like to buy grain from us. I suppose the reason they're not out there is they have a \$17 million administration budget, of which they spend only \$17,000 on getting out there and doing something.

I have to say something about what we're doing in Alberta. It's fine to hammer somebody else for not doing anything, but what are we doing? I think we in the province of Alberta are fortunate to have people like John Shannon and others in the Department of Agriculture. I see they're in the gallery today. The reason I recognize them is they're sitting next to my oldest daughter. She's the best-looking one in our family.

DR. BUCK: She looks just like her mother.

MR. FJORDBOTTEN: That's right. She looks like her mother.

The international marketing branch of Alberta Agriculture's budget is \$545,000, to try to develop the markets. The Canadian Wheat Board spent \$17,000. When the oil and gas are gone and the agricultural processing and products we have to move — we're out there developing that market; \$545,000. Fifty-two missions are coming to Alberta; 119 missions to 37 countries outside Canada; 27 livestock and food shows in 11 countries; and five livestock and food shows in Alberta. I think that's a pretty significant move for the province of Alberta.

To enter the debate today is a special privilege because agriculture is special. We're going through some difficult times today considering what's happening in the cattle industry and that we grow over 50 per cent of Canada's barley and over 50 per cent of it is fed here. We have some concerns.

I think all urban members should be aware that many years ago, a poet by the name of William Jennings Bryant said:

Burn down your cities and leave our farms.  
And your cities will spring up again as if by magic:  
But destroy our farms  
And the grass will grow in the streets of every city in  
the country.

Therefore, the importance of agriculture, and the primary producer in particular, is vital to our having a province and a country that are strong.

Thank you.

MR. SCHMIDT: Mr. Speaker, it's a privilege for me this afternoon to join with my colleagues in passing some comments on Motion 201. May I take this opportunity to congratulate the Member for Vegreville for the introduction of the motion. The introduction by the hon. member was done at a time for concern, certainly on behalf of the producer within the province of Alberta. It's on that concern for both now and the future that I would like to address a few remarks on this motion.

[Mr. Appleby in the Chair]

The province of Alberta has just completed a record harvest, that will exceed about 15 million tons. In question period this afternoon, the figure of 26 million tons is the challenge for the Canadian Wheat Board to deliver on behalf of producers in western Canada, to both market and to deliver to that market. It is perhaps one of the

greatest challenges they've had, both in quality and quantity.

There is some doubt as to the ability to achieve that goal, for two basic reasons. First of all, the total system of marketing depends also on the ability to deliver. Certainly, all members are aware of the competition that exists in the transportation system today between agricultural and other products, as we bid not only for rolling stock but for the availability of the rail for that stock. That competition will perhaps make it rather difficult to meet that challenge of 26 million tons.

The record crop we face this year does two things to the producer — certainly a challenge that was accepted. Producers must feel a great sense of accomplishment and achievement, and must look forward to the sale of a bumper harvest, recognizing that it's part of the basic stability and livelihood of the majority of those producers. Without the capability of marketing and delivery, a record crop means very little.

If one were to look at the approach of the market assurance plan submitted earlier this spring and the philosophy behind it for increased production, and to go beyond not only MAP but the directions as indicated by Agriculture Canada, the comments made on behalf of the Canadian Wheat Board and the senator responsible that we in Canada in agriculture must accept a responsibility of production that exceeds production you and I are familiar with, and are shooting at a goal of an increase of about 30 per cent — whether or not an increase in production by 30 per cent can be achieved is another argument. But the philosophy of increasing production at a time when there's some doubt as to the delivery of what already exists in the way of production — and, what's even more difficult, the lack of recognition of those responsible for that movement and that marketing. I say that because on many occasions, the senator responsible for the Canadian Wheat Board has stated that the transportation system, our system of marketing, is the best and that no problem exists. I wish it were true. I suggest to you that if each and every one of us are to accept increased production, and if it is our basic responsibility, then I'm convinced that if marketing and transportation are geared to that increase in production I would have little concern about our future on behalf of producers within this province.

My colleague from Macleod stated some percentage factors. I just want to touch on a few in a very general way, because I think it indicates first of all the area of concern. A study has just been completed in western Canada that covers producers in the three prairie provinces. It's interesting to note that it's done by an age classification of producers. The questions are fairly basic and deal directly with production, capability, marketing, and transportation. It's also interesting to note that the returns from the provinces of Manitoba and Alberta fall closer in line than those of the producers from the province of Saskatchewan. But it's also interesting to note that age-wise the returns from Manitoba and the province of Alberta fall in a lower classification. In other words, the farmers replying were in a category of average age less than the average age in the report of the returns from the province of Saskatchewan.

Mr. Speaker, all I'm going to touch on is those who indicate that there is a concern in the system of marketing. There is some concern as to the capability of the board. There are also some concerns in the transportation system. I mention them because it's not a figment of our imagination that a problem exists or will exist. Producers

themselves throughout western Canada are taking a long, hard look at their future: that's really what we're talking about.

There are many suggestions. One can look back in past history. One can look at the start of the board, the role over the period of years, how it was designed, how it operated, and what it set out to achieve on behalf of producers in Canada. One can look at Canada and its role as a trading nation in the world. We can examine our production to see how best we fit into a world market. That market still exists. We have a quality and quantity production record that's not surpassed by anyone. There's no reason we can't meet the challenges if it's increased production that's required. But I say that those challenges and that future are only available to our producers if, first of all, we maintain that freedom of choice of production.

Perhaps we have to look towards the future for change. That means change in our system of marketing and in the system of transportation. The role ahead for the Wheat Board can change, to the point that they revert to what they were really originally designed to do: in other words, to market and sell our No. 1 hard spring Wheat on behalf of Canada. The other route can be taken, whereby producers have the freedom of choice in the dual system, that by choice you can market your grain through either the board or the open system. But whatever choices are there must be those of the producer. And that choice must be for the betterment of the total grain industry.

MAP was presented early this spring. It was a system of change. Unfortunately, in our view the change was certainly a backward step, not a forward step. If it were to appear again as a method of change next spring, and there is no major change, and if the freedom of choice of producers is still challenged, we will have no other choice but to take the same action next spring as we did this last spring on behalf of producers. I'm absolutely convinced that without the freedom of choice of production, without a fair return, and without the opportunity of the delivery of that crop to receive a fair return, there is little hope and future for the grain producer in the province of Alberta to continue to meet his or her responsibilities, both in maintaining the present production and meeting the challenge of the increase in the years ahead.

Mr. Speaker, I beg leave to adjourn the debate.

MR. DEPUTY SPEAKER: Having heard the motion by the hon. minister, are you all agreed?

HON. MEMBERS: Agreed.

208. Moved by Mr. R. Speaker:

Be it resolved that this Assembly urge the government to suspend the maximum petroleum production regulation under The Mines and Minerals Act for 30 days as an indication to all Canadians of Alberta's good will and serious intent to negotiate, in good faith, an energy pricing agreement with the federal government.

[Debate adjourned April 9: Mr. Kowalski speaking]

MR. KOWALSKI: Mr. Speaker, it has been several months now since the Legislature last had an opportunity to review and debate Motion 208. At the outset I would like to read into *Hansard* once again the wording of the motion. The operative words in Motion 208, in my view, are good will, serious intent to negotiate, and good faith.

I do not believe that in the history of Canada a

provincial government has ever provided more in the form of good will, serious intent, and good faith than the provincial government of Alberta in the past year and a half, in negotiating with an intransigent, intellectually dishonest and, unfortunately, frightfully deceitful federal government. Over the last year and a half, Alberta has walked more than an extra mile in seeking an agreement. We've been hit, bruised, hammered, and tripped along the way. But in the end, Albertans won because Alberta and the vast majority of citizens of Alberta stood strong and together in defence of the resources owned by all of us. Some wavered, Mr. Speaker. Some got scared, some wanted us to capitulate, and some insisted that we cave in. But the vast majority didn't. Finally, they responded enthusiastically when an agreement was reached this September 1.

I think it is also very important to remember why Alberta got involved with this business of energy cutbacks. To explain that, I want to use the words of our Minister of Energy and Natural Resources recorded in *Hansard* on April 10, 1981. In responding to a question from the Member for Little Bow, the minister pointed out:

I pointed out, and have on a number of occasions, that we did not advise the federal government of our intention to react to any unilateral action on their part by a reduction in production until it was clear the negotiations were at an impasse. We didn't do that, because we didn't want to create an atmosphere during the negotiations where we could be seen to have been putting a gun to their head; in effect saying, look if you don't agree with us, we're going to cut back production. We didn't do that.

It was only after the negotiations were obviously terminated that we advised the federal government of the responses we would take. One of those responses was a reduction in production. I think it's been made abundantly clear by spokesmen for our government as to why we're doing that. The reason we're doing it is very simple: when someone sets the sale price of the product you own so low that you can only conclude that it's grossly unfair, the only action you have available to you is to sell less of it.

Therein, Mr. Speaker, lies the very basis for the approach that Alberta took and followed through during the fall of 1980 and the many months of 1981, until we finally arrived at an energy agreement. But the energy cutback was only one of four strategies that our government very clearly enunciated and made very clear to all the citizens of this province and all the people of Canada. We said as well that as part of our strategy of negotiation, good intentions, and good faith, there were several other things that had to be looked at and addressed as part of our negotiating strategy.

We said we were prepared to back the approval of several important oil sands plants in this province providing some certain conditions were met. We said as well that we had to challenge in the courts the legality of the federal effort to attempt to skim off the sale of our natural gas to the United States by way of a natural gas export tax. And we also set out to work to try to establish that across the country a good positive public opinion existed that understood the Alberta position and then to follow through with it. Never once did we bluff our way. We made quite clear what our position was. It was very open to all.

All members should remember the environment in which a lot of the unfortunate aspects of the negotiation

occurred in our country over the last year. I would just like to go back, momentarily, to a very infamous document made public in Canada about September 1, 1980. It was a rather lengthy document, with a date on it of August 30, 1980. It has at the upper right-hand corner of it the little script "ministers' eyes only". It's a report to the federal cabinet. It has a number of very interesting statements in it. As part of the strategy for the fall and the winter of 1980 and the early spring and summer of 1981, it has two telling quotations which should not be forgotten at any time in the future. The first of these is quoted on page 3 of this document:

The challenge now lies with the federal government to try to bring out the agreement on a package which appears to be within reach, and failing this to show that disagreement leading to unilateral federal action is the result of an impossibly cumbersome process or of the intransigence of the provincial governments and not the fault of the federal government.

Then on page 43 in that document is another interesting quotation, again dated August 30, 1980:

The political climate in Canada is likely to be poisoned by a major energy conflict throughout the fall of this year and at least the early months of next year.

All this, Mr. Speaker, in the year 1980, the 50th anniversary of Alberta's winning of its rights of ownership of resources. It appears to me to be a strange time in which the federal government would attempt to seize control of the resources of this particular province. But the events are now history, and because of the firm, determined position taken by the province and the government of this province, we arrived at September 1, 1981, with an energy agreement. I think it's important that we reflect on some of the major items won by the people of Alberta in that agreement.

The agreement settled between Alberta and Ottawa the issue of pricing of most of Canada's oil and gas production for a period in excess of five years. By way of this agreement, a taxation and royalty arrangement was established for Alberta's oil and gas exploration and development industry for the period to December 31, 1986. For the next five years we now know what the rules of the game will be in this province and in this country.

The agreement created incentives for oil self-sufficiency in Canada, and in doing so should reduce Canada's need to import foreign oil. It also cleared the way for oil sands projects to proceed, and eliminated the cutbacks in Alberta's oil production.

Mr. Speaker, some of the key features of the agreement are a schedule of price increases for existing conventional oil significantly greater than that proposed by Ottawa last October, to a target by July 1, 1986, of 75 per cent of the forecasted international oil price, in increments of \$7 to \$8 per barrel each year. The agreement also includes a schedule of price increases for natural gas sold in Canada greater than that proposed by Ottawa last October, in increments of 50 cents per 1,000 cubic feet each year to July 1, 1986. As well, it eliminates Alberta's burden of carrying the transportation costs, by moving the pricing point from the Toronto city gate to the Alberta border. This agreement also provides for lower prices for new Canadian natural gas sales, which will further reduce Canada's need to import oil. The agreement eliminates the proposed federal tax on the export of natural gas, an item that was very important to all members of the Assembly when we debated this issue.

The consequences of the pricing and taxation provisions are that the petroleum industry's cash flow will be increased over the position proposed last October by the federal budget, to the extent of well over \$2 billion each year during the life of the agreement. This in turn will encourage renewed exploration and development in Canada's oil and gas potential. It notes as well that prices for new oil discoveries and enhanced recovery from existing oil reserves relate to anticipated international prices, and this should encourage exploration and development.

The agreement also provides prices for production from the Syncrude oil sands plant and the proposed oil sands projects at Fort McMurray and Cold Lake, and provides that prices return will be related to actual international prices. As well, the agreement further includes a revenue sharing agreement between the two governments that allows for the very stated improved cash flow to the petroleum industry, with no real adjustments to the existing system of royalty payments to the people of Alberta. It provides for increased revenues to the federal government by way of a larger share of the after Alberta royalty portion of increased oil and natural revenues. It also provides that on behalf of Canada, Alberta will now administer and provide payment grants to Canadian-owned and -controlled companies for exploration and development activities within Alberta.

Mr. Speaker, that's a very, very brief capsule summation of a very important document that all too often may be forgotten once agreements are arrived at. It appears that it's more fun and of more interest to get involved in the debate prior to the actual negotiated agreement than it is to sit down and analyse and evaluate to see what has actually been won.

What are the benefits of this agreement to the people of Alberta? Without doubt, in my view, the most important point is that it dramatically reaffirms Alberta's ownership of its resources and clearly illustrates that national energy matters can only be resolved by negotiation with the producing provinces. It is negotiation that Alberta was involved in from the early spring of 1980 through to September 1, 1981.

It increases the price and hence the return Albertans will receive for the sale of their depleting existing conventional oil resources, to the extent of approximately 50 per cent over the price schedule proposed in the October 28 federal budget. It requires the removal of the export tax on the sale of Alberta-owned natural gas to non-Canadians. It provides significant encouragement to the oil and gas industry centred in Alberta to renew the activity planned prior to the federal budget of last October 28, and in doing so will encourage jobs, provide greater opportunities, and provide for an overall stimulation of the economic activity within Alberta. As well, it increases the net resources revenue flow to the people of Alberta by over \$2 billion each year over the next five years — a significant improvement in a previous energy situation. As well, Mr. Speaker, in a number of ways it opens the doors to longer term Alberta revenue potential arising from natural gas market prospects in the United States. It encourages the economic growth potential of additional tar sands plants and, without doubt, brings a certain economic stability to our province through to the latter part of 1986.

In the end, Mr. Speaker, we obtained a good deal for Alberta; we obtained a good deal for Canada; and we obtained it because we have a government with a plan of action that didn't waver, that didn't capitulate, and that was determined.

What of the future? We now have an agreement, but we also have some interesting legislation on the books. That legislation must remain as a lasting permanent structure of the legislative process of our province. We won the most important thing we needed to win in the energy agreement: the jurisdictional right of a provincial government to control rate of production.

Mr. Speaker, when the Assembly voted with such unanimous approval to support the government with energy cutbacks, perhaps few members really appreciated that upwards of 60 per cent of the energy cutbacks in this province would occur in one constituency. That constituency was the one I feel very fortunate to represent. Within that constituency, those cutbacks occurred within 15 or 20 miles of one town, Swan Hills. The people there were hammered between the eyes last October 28, when a new federal budget basically told them their livelihood was quickly going to be terminated. They rallied behind the people in the province of Alberta and gave their support.

A letter was sent to our Premier by the mayor of Swan Hills a number of months ago. I'd like to read it into the record, because I think it amply illustrates the support this government has had from the people in the constituency I represent. I know their feelings are no different from the people in numerous constituencies in our province. The letter comes from His Worship S.W. Currie, Mayor:

Dear Mr. Lougheed:

On behalf of the people of the Town of Swan Hills, I would like to express the community's full pledged support of the stand your Government has taken in response to the recently announced Federal Budget. The citizens of Swan Hills fully realize the complications and the impact your recommendations of cutting back oil and gas production will have on resource Towns such as Swan Hills.

The issue of oil pricing strikes very close to home in Swan Hills, where virtually every person in Town relies on dollars produced through oil and gas exploration, production and servicing.

In fact, the residents of Swan Hills would have felt cheated if your Government had taken any other stand on this matter.

Swan Hills has suffered recessions and depressions in the past, due to fluctuating oil prices and is prepared to "weather the storm."

In closing, I would like to make it perfectly clear, that you can count on the unanimous support of the people of Swan Hills.

Sincerely yours,

S.W. CURRIE  
MAYOR

Mr. Speaker, several postscripts to this letter arrived a few months ago in the office of the Premier. In the last week of August 1981, our Minister of Energy and Natural Resources came to Swan Hills with me. We had a very interesting meeting with the mayor and all council members in the town. This was, I repeat, in the last week of August 1981. If any message was being sent by the residents, the citizens, of that oil-producing town that had been so dramatically harmed by the October 28 budget, it was simply this: go further if you have to in your oil

cutbacks; don't capitulate; don't waver; don't stop; and if you have to go 100 per cent, go; we're with you all the way. I think that message was more than both Mr. Leitch and I would like to have heard that day. Nevertheless, I think it's reflective of the support of the people of this province that that particular move and strategy of the government has met with.

One additional postscript — and the elected representative of the constituency of Barrhead is rather a very modest person. On October 6, 1981, the citizens of the town of Swan Hills, by their mayor, by the town, took out a half-page advertisement on Town of Swan Hills letterhead, and after thanking their representative for a number of things, concluded by saying: "The future growth of our Town has assuredly been enhanced by your efforts as our M.L.A. Thank you Ken." Again, it's signed by the mayor. This is an advertisement, Mr. Speaker, on the letterhead of the town of Swan Hills. They've indicated to me their appreciation of the positions I as their representative take on behalf of them in the province's negotiations on energy.

I think the final telling story in all this is the people really believe that the proof is in the pudding. The people support the province and the government of Alberta in its energy cutback. I think it's very unfortunate that the Member for Little Bow did not feel confident enough to support the vast majority of the people of Alberta on this very crucial subject.

Thank you, Mr. Speaker.

MR. BRADLEY: Mr. Speaker, I wish to participate briefly today in the debate on Motion 208. I'd like to congratulate the hon. Member for Barrhead for his excellent participation today.

Since an energy agreement has already been concluded, I think this whole motion before us is really academic. Suffice to say that the petroleum production reduction was a key part of Alberta's strategy in conducting the negotiations. It established clearly Alberta's ownership rights, enabling us to control the rate of production, and was not challenged by the federal government. The staged reduction was a responsible approach and resulted in increased pressure on the federal government to get back to the bargaining table. Each 60,000 barrels of cutback required the federal government to purchase expensive alternatives on the world market at world prices. I think it impressed upon Canadians the folly of their logic, that of paying world price to foreigners when they were unwilling to pay more than half the world price to Albertans.

The assurance that production would be restored to meet Canadian needs if such alternative supplies were not available was an indication of Alberta's good will to other Canadians. The fact that the cutbacks were put in place as scheduled indicated to all that Alberta was serious and determined to meet head-on an assault on its natural resource ownership rights. Production reduction, in concert with delay of approval of oil sands plants, an effective campaign to inform other Canadians of the disastrous effect the original national energy policy would have on Canadian oil supply, the support of eight other provinces on the basic question of resource ownership, plus our legal challenge of the gas export tax, were successful in bringing the federal government back to the negotiating table. The added pressure of additional cutbacks, particularly the September 1 cutback, surely was a key part of the strategy which kept up the pressure to the final hours and resulted in an agreement.

That leaves us with the academic question of the offi-

cial opposition position to suspend the cutbacks. I ask the question: how would that approach have been viewed by the federal government negotiating team? Surely it would have been viewed as a sign of weakness, that Alberta's resolve to hold fast to its negotiating position was weakening, that suspension of the cutbacks was an indication to the federal government to move in for the kill, that Alberta was suffering, that the time was near for the federal government to reinforce its position not to make any further concessions or change its strategies, that a suspension by Alberta of its cutbacks was an indication to the federal government that a thin wedge had been driven in Alberta's resolve and now would be the time for the federal government to push forward, hammer at the wedge, split Alberta's resolve, push us to the wall, and finally wrest control of natural resources from the province. That would have been the interpretation the federal negotiating team would have taken if we'd followed the opposition request. I can only suggest that if Motion 208 had been adopted by this Assembly, it would have resulted in a strategy which would have led to capitulation. Well, it didn't happen, Mr. Speaker. Led by the hon. Minister of Energy and Natural Resources, our team stuck to our strategy of production reduction, kept the pressure up, and arrived at an agreement that is good for Canada and good for Alberta.

The other point the official opposition suggested is that our position should have been one of moving immediately to 100 per cent of world price. I'm amused by that position. With that for a position, there would not have been an agreement. After four months of negotiating, the federal government recognized Alberta's position of moving toward 75 per cent of forecast world prices over the term of the agreement. If our bottom-line position had been 100 per cent immediately, the position of the official opposition, it is clear that an agreement would not have resulted. How the opposition can say they would have resolved the matter quickly and negotiated a 100 per cent world price agreement bears no reality to the facts. Such a position would have been impossible and contradictory in the extreme.

I'd now like to turn to the terms of the agreement. The important facts to stress about the agreement are pretty straightforward. The fact that there is an agreement is probably the most important point. If there had not been an agreement, where would we be today? So the fact that we have an agreement is vitally important. The fact of the agreement settles the question of a federal government imposing an agreement on a producing province and that future energy agreements must be negotiated between the federal government and the producing province. This reinforces the federal nature of our country. Our ownership rights have been recognized and reinforced.

The other important fact is that the length of the agreement, five years and four months, will lend stability to the industry over that period of time. That there will be no natural gas export tax opens prospects for increased exports and thus returns to our gas producers.

Overall, Mr. Speaker, I anticipate that the agreement is positive for Alberta and for Canada. There is room for some fine-tuning in respect of certain areas of the industry, and the province would welcome specific proposals from the industry to alleviate any anomalies that may have resulted, for surely the position of each individual company would be different.

In essence, Mr. Speaker, the motion before us is clearly academic and, as I have submitted, the opposition tactic probably would not have resulted in a satisfactory agree-

ment or in no agreement at all. The unfortunate aspect of this period of time is the hiatus the industry and the country had to endure from October 28, 1980, to September 1, 1981. Had the federal government not attempted to impose its will unilaterally but seriously attempted to negotiate after our July 25, 1980, proposal, those lost months would not have happened. Another fact we have to recognize is that it will take some months for the industry to return to its previous activity.

It is my opinion that the agreement will be of benefit to Alberta and Canada, that an increased return will flow to Alberta from our depleting, existing, conventional oil reserves, that the goal of self-sufficiency for oil will be enhanced, that our ownership rights have been reinforced, that stability will return to the industry, that the withdrawal of the export tax on natural gas will put in place the future opportunity market for natural gas, and that oil sands projects will proceed.

In conclusion, Mr. Speaker, the energy agreement which has been concluded will have an overall positive effect on both Alberta and Canadian economies.

MRS. CRIPPS: Mr. Speaker, my colleagues have adequately outlined the fallacy of Motion 208. I believe the fact that an agreement was signed on September 1 outlines and emphasizes the last part of the motion. I'd like to read it again for emphasis:

... an indication to all Canadians of Alberta's good will and serious intent to negotiate, in good faith, an energy pricing agreement with the Federal Government.

I might add that all the negotiators weren't quite so sincere. I quote from a quotation from the energy minister, Marc Lalonde, in the *Edmonton Journal*: I had sat at that first meeting with Leitch, saying, frankly you may have a lot of principles, but I don't; I just want money. Well, Mr. Lalonde got his money, but Mr. Leitch maintained his principles.

In view of the conclusion of an agreement and the obvious benefit to Canada and Canadians, I beg leave to adjourn the debate.

MR. DEPUTY SPEAKER: Is it agreed the hon. member has leave to adjourn the debate?

HON. MEMBERS: Agreed.

211. Moved by Mrs. Embury:

Be it resolved that this Assembly urge the government to consider exempting the wholesale and retail liquor store operations of the Alberta Liquor Control Board from the application of The Public Service Employee Relations Act.

MRS. EMBURY: Mr. Speaker, I move Motion 211. It is a privilege today for me to bring this issue before the Assembly for debate. I trust that the subject will not be a dry one.

A little over a year ago, an illegal strike was conducted by 186 Alberta Liquor Control Board workers and 1,000 provincial correctional employees. At issue in this dispute which provoked the strike action were, of course, various monetary considerations, such as overtime pay and a northern allowance. Also being disputed was Section 93 of The Public Service Employee Relations Act. As you are aware, The Public Service Employee Relations Act was introduced and passed in this Legislature in 1977. At this time, I would like to review what took place before

this Act was introduced and passed.

The Alberta Liquor Control Board was established in 1924. Liquor workers, like other civil servants, were governed by The Public Service Act. Collective bargaining was introduced into the Alberta public service in 1965. Prior to this time, the Civil Service Association of Alberta had been permitted to consult with the government through a joint council composed of three ministers and three officials from the Civil Service Association of Alberta. Nevertheless, under this arrangement the employer still had the sole right to determine wages, salaries, and terms and conditions of employment. The 1965 amendment to The Public Service Act provided for collective bargaining, leading to a collective agreement where, if the parties could not agree, Executive Council could take action after further consultation, or in the case of autonomous boards and agencies the dispute would be referred to an advisory mediation board.

In 1968, The Public Service Act was rewritten and all reference to other public employees, such as the Alberta Liquor Control Board, provincial hospitals, the Alberta Housing Corporation, and Alberta Research Council was separated into a Crown Agencies Employee Relations Act. In the same year, the Civil Service Association of Alberta was constituted as a statutory corporation by The Civil Service Association of Alberta Act. The Public Service Act gave the association the sole right to negotiate on behalf of employees of the government, with the exception of those who made, and I quote, significant decisions respecting employees pursuant to this Act and the regulations; and, further, excepting those employees who were members of a professional association or who were excluded by the minister at the request of the majority of persons in this group.

In 1970, advisory mediation was extended to the general departmental service by an amendment to The Public Service Act. This Act specified that the employee organization should have the sole right to bargain on behalf of its members who are employed by Crown boards, agencies, or commissions. Following the change of government in 1971, both The Public Service Act and The Crown Agencies Employee Relations Act were amended to provide for binding arbitration as a method of resolving disputes.

An amendment to The Crown Agencies Employee Relations Act in 1973 listed employers whose employees came within the purview of this Act. By intent, the list did not detail all government boards, agencies, and commissions. Three notable exceptions were made: the employees of Alberta Government Telephones who were members of the International Brotherhood of Electrical Workers, the employees of the Alberta provincial children's general hospital who were members of the Canadian Union of Public Employees, and a segment of employees of the Foothills provincial general hospital who were members of the Health Sciences Association of Alberta.

In 1975, a divisional bargaining system was adopted in the public service. This allowed units of similar employees to bargain separately for certain items of their contract. In 1976, The Civil Service Association of Alberta Act was repealed, and the Alberta Union of Public Employees was formed under The Societies Act as a successor organization. In 1975, the government appointed a task force on provincial public service labor relations, composed of two government representatives and two members of the union association. The task force report was tabled in November 1976.



In the Legislature on May 10, 1977, the Provincial Treasurer made the following observations:

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 ... [There] 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.

Following the report of the task force, the government introduced Bill 41 in 1977, The Public Service Employee Relations Act. The Act applied to employees under The Public Service Act and The Crown Agencies Employee Relations Act. The latter was repealed by the Act. As well, the Act included some employees presently governed by The Alberta Labour Act, including employees of the Foothills provincial hospital, the Calgary children's hospital, and non-academic staff members of the universities and colleges.

Section 93 of the Act prohibits the use of the strike and the lockout, specifying that where the mediation process is unsuccessful, disputes will be referred to binding arbitration. The Act does not apply to various agencies that were governed by The Alberta Labour Act prior to 1977 and thus already held the right to strike. The largest of course is Alberta Government Telephones. These agencies are listed in the Act's schedule.

Specifically, Section 93 of the Act also recognized the unique position of governments in labor management compared to private firms. The essential nature of government services, the public accountability of democratically elected governments, as well as the source and distribution of government revenues all produce significant differences in the atmosphere in which government/labor relations are conducted from that which exists in private firms.

Returning to the government members' report, which eventually formed the basis for the 1977 legislation, I wish to direct my remarks specifically to the third and fourth recommendations. Recommendation 3 reads:

The new public Act should cover all provincial employers currently under The Public Service Act, The Crown Agencies Employee Relations Act and the Labour Act, except those which are specifically exempt by virtue of Recommendation 4.

That latter recommendation states that:

Corporations analogous to firms in the private sector should not be considered public employers for the purposes of labour relations.

The key phrase in these recommendations is "corporations analogous to firms in the private sector". The term "analogous" is open to interpretation. No indication of a type or degree of similarity is provided. It is probably safe to assume that "reasonably analogous" was the intended meaning. The government report obviously reflects an opinion that not all government bodies operate within the same atmosphere or by the same rules, that some are very much like privately-owned institutions.

At this point, I wish to argue that the wholesale and retail operations of the Alberta Liquor Control Board are reasonably analogous to a private firm. To be sure, the services provided by the Alberta Liquor Control Board, the regulation of the distribution and sale of liquor, cannot legally be carried out by a private firm. One of the key functions of this particular body is to regulate the marketing of alcoholic beverages by the major liquor companies. In addition, the demand for liquor in the general public is relatively inelastic. There are few beverages that would be considered substitutes, and probably fewer people who would accept them as such. The continued supply of liquor is important to many businesses throughout this province.

All this points toward the control of liquor as an irreplaceable government service. Yet this is not the entire picture. As with all private firms, the Alberta Liquor Control Board is accountable for both profits and costs incurred in the course of its operations. Each year the board remits a substantial sum of money, its profits from sales and licensing, to the General Revenue Fund. These funds are remitted after salaries, overhead, and the costs of the goods sold are deducted. What this structure implies is that the Alberta Liquor Control Board is accountable to the provincial government for its profit margin, and that the costs incurred in its operations must be kept within certain limits. Therefore, the same sort of cost control that exists in private firms operates in the Alberta liquor marketing service.

The scope of the similarity does not end there. When the Alberta Liquor Control Board management negotiates with union representatives of the liquor workers, it brings to the bargaining table consideration of its cost and profit margins. It must negotiate a settlement which is acceptable within the framework of its operations. In this way, it is similar again to a private firm under the same pressure to maintain its financial position. This feature can be underlined when the Alberta Liquor Control Board is compared with other government services such as correctional centres and hospitals. Funding for these institutions is provided through budgetary allocations from the General Revenue Fund. Guidelines are imposed to keep the cost of operation within an accepted margin and to prevent budgetary overruns. After all, the government is accountable for control of the expenditure of the taxpayers' money. Similarly, when labor negotiations produce wage settlements which increase costs, the increases can be lateralized throughout provincial expenditures. The cost controls which exist in private firms are not present. Instead, the control is the result of political accountability for tax revenues.

On the other hand, the Alberta Liquor Control Board is self-financing. Its operation budget does not come from the General Revenue Fund or taxpayers' contributions, rather from the moneys generated through liquor sales, the consumers' contributions. Cost increases are drawn from profits, with the effect of either reducing those profits or increasing liquor prices. The conditions and controls under which the Alberta Liquor Control Board operates are greatly different from other public services. The question then becomes why the liquor retail and warehouse workers should be placed under the same labor negotiation rules as other provincial public employees.

One other such group I would like to mention is the exemption of the Alberta Government Telephones' workers from the application of The Public Service Employee Relations Act, which to an extent provides a precedent

for the exemption of the Alberta liquor control workers. Although the basic reason for their present exemption likely stems, from the fact that prior to 1971 the workers were hired under The Alberta Government Telephones Act rather than The Public Service Act, similarities in the two bodies warrant further examination. Alberta Government Telephones provides a service that is provided by private companies in some parts of Canada and throughout the United States, although under strict government regulation. It must be acknowledged that it operates under the same conditions and on the same basis as private firms. The difference is basically one of ownership. As is the Alberta Liquor Control Board, it is markedly different in its operations from other government services. Why then should the one be exempt while the other remains under the tight labor rules governing public employees?

I would also like to comment on what happens in other jurisdictions in Canada. The strike record of liquor board employees in other provinces is interesting. In British Columbia, Manitoba, New Brunswick, and Newfoundland the labor histories of the workers show solitary strikes. All these provinces give their liquor workers the right to strike. For the most part, the incidence of strikes is not appreciably higher in those provinces where liquor workers have been granted the right to strike.

In bringing forward this motion, I do not wish to question or dispute the intentions of the Act or the concerns and issues that led to its implementation. I fully recognize the need for such legislation in light of the responsibilities of government in present times. However, I also feel that the application of the Act to retail and wholesale workers of the Alberta Liquor Control Board requires further consideration. In my viewing of the situation, it seems that several questions are left unanswered by the current situation, warranting further investigation and a possible rethinking of the application of The Public Service Employee Relations Act.

An acknowledgement of the difference between the Alberta Liquor Control Board and most public services must be considered. Perhaps the board should be restructured to separate its licensing functions from its sales operation, as is the case in British Columbia and Saskatchewan. Such a division would certainly be plausible, given the present structure of the Alberta Liquor Control Board. The division of the Alberta Liquor Control Board into two Crown corporations has also been presented as a logical first step in allowing private sector involvement in the liquor industry.

I therefore urge the government to re-examine the Act and consider alternatives to its terms in relation to Alberta Liquor Control Board labor relations. Thank you.

MR. MACK: Mr. Speaker, in joining the debate on Motion 211, I indeed consider it a pleasure today to speak to the motion. I would also like to speak in support of the motion because, in my opinion, it is an issue that has been around for many years. My speech will emphasize the historical aspect of the Alberta Liquor Control Board. Having said that, I will very likely be using some of the research materials and cover some of the ground of the hon. Member for Calgary North West. I, too, congratulate her for having the courage to introduce Motion 211. I believe it's timely. I would then like to note some of the difficulties with compulsory, binding arbitration, and conclude with some comments on giving the right to strike to ALCB workers in line with attaining the goal of 'privatization' of the ALCB. There are inherent difficul-

ties in compulsory, binding arbitration, and they normally surface in various ways. I would like to cover some of those incidences that surface in terms of employee morale and so on.

The Alberta Liquor Control Board was established in 1924, a number of years ago. I suppose it was deemed necessary to have these artificial spirits way back then. There had to be some control. I guess the days of the RCMP and the Indians and the firewater had reached a sort of civilized period, and they established the Alberta Liquor Control Board.

Prior to that, in 1919, the government established the Civil Service Association, which basically was an arm to represent the employees of the government. Essentially, the initial spirit of establishing the Civil Service Association was directly as a result of the high inflation of post World War I. I think it's important to note the original objectives of the Civil Service Association, as noted in the Alberta task force on provincial labor relations report of 1976. These objectives were to develop education, training skills, and efficiency of the members of the Civil Service Association. The number two item, which caused them to organize as an association, was to promote and to safeguard harmony between the government of Alberta and the members of the society. I wonder whether number two is still an active consideration in the area of the association itself. However, there have probably been reasons why many changes have taken place since 1919. The third was to unite the members of the society in an association for their mutual social, mental, and physical improvement, and for their protection and common and individual welfare.

The three items I have noted are all very honorable aspirations and goals. I think particularly of item number three, where quite often in a larger setting where a lot of employees are involved, even within the work place there could be loneliness. To be able to address the question of being a support to your fellow worker is commendable. These were some of the goals and aspirations the initial association envisaged and addressed.

At this time, collective bargaining did not exist. As the hon. Member for Calgary North West indicated, it was a matter of government meeting with employee representatives, listening to their proposals or concerns jointly, and then they would decide and determine what changes, if any, would occur in terms of working conditions, vacations, perhaps even pensions, and other employee-related matters. A unilateral decision would be made as to what the final outcome would be.

I suppose it's fair to conclude that a result of the changes which ensued in coming years — and they came fairly quickly — was an indication that perhaps all was not too well. The generosity of the employer or the government was certainly not overwhelming the employees, because they constantly had to strengthen the association and take the kind of initiatives and strengths that would bring fairness into the work place. For example, some of the privileges arrived at were the Blue Cross plan, which looked after some of the health benefits for the employees, and mileage provisions. This occurred in 1948. From 1919 to 1948 is a fairly long span of time, and it was only in 1948 that some tangible evidence was being shown that some provisions were being extended to the government employees. Revised classification, for example, was agreed upon in 1949; that is, the classification of employees in the work place. A 40-hour, five-day week was achieved in 1955.

Recognition by the employer of the concept of equal

pay for equal work was considered way back in 1956. I would think that particular aspect, equal work for equal pay, still leaves much to be desired. Just last week I received a call from a constituent. She indicated to me that as a supervisor for a large department store, she felt her salary was substantively different from that of a male supervisor. That's just one of many areas we have not fully addressed. In some classifications, yes, they're easily definable. If you have a bus driver, whether it's a female or a [male], the work place is quite easily definable. But if you have a supervisor in other areas, or employees in an office setting, it's not quite as easy. Much has to be done in that particular area, insofar as I personally am concerned.

Collective bargaining was introduced in the Alberta public service in 1965. I suppose prior to that time it was sort of, we present proposals to the employer but they chose and they made the decisions as to what the ultimate changes would result in, insofar as the employees were concerned. In 1968, there was gradually more and more substantive legislative changes, in terms of recognizing representatives of employees; this occurred where The Public Service Act was rewritten. Some employees were excluded from The Public Service Act; for example, the housing authority. The Alberta Research people were excluded. They were under The Crown Agencies Employee Relations Act, but basically the right to strike did not extend to them. The employees that were a Crown corporation as far as Alberta Government Telephones is concerned in fact were under the Labour Act and were represented by the IBEW. They had the right to strike under the old Alberta Labour Act.

[Mr. Speaker in the Chair]

In 1970, advisory mediation was extended to the general departmental service by an amendment to The Public Service Act. This act specified that the employee organization should have the sole right to bargain on behalf of its members who are employed by Crown boards, agencies, and commissions.

Following the change of government, yet another study was commissioned. The current employee relations Act was developed, introduced, and passed in 1973. This is still in force. Within it is Section 93, and this is the crux of the concern of the government employees insofar as their having a very sincere feeling that they are being treated somewhat differently from the rest of the employees in the province of Alberta. In other words, their concern is of the double standard, one for public employees and the other for employees in the private sector.

ALCB is under this act, and I think it's fair to say that last year was a very classic example and experience, which we all are very much aware of, that the denial of the right to strike is not necessarily going to deny employees the right to withdraw their services. Because of being very, very disenchanted and unhappy, the lagging negotiations, the lack of being able to achieve a settlement, unfortunately they took the matter into their own hands. Yet they had a message they wanted us to get, a message they felt implored to take the kind of action collectively that probably as individuals they would never even contemplate, simply because they felt locked into an impossible situation under their current legislation. The Public Service Employee Relations Act.

As a result, we had strife and low morale in the work force. We had fines, where those employees were fined by the courts. I think it's fair to say that in each instance the

cost to the employees was substantively greater by taking the illegal action that they chose to participate in than it would have been had they been under The Alberta Labour Act.

Collective bargaining in the public sector has had numerous studies. I would like to refer to Sandra Christensen's, in an article titled, "Collective bargaining in the government sector", published in 1980. It notes some of the difficulties. One of the arguments she raises in opposition to a compulsory, binding arbitration model is that arbitration of interest disputes is unsuitable because arbitration is designed to adjudicate disputes over the interpretation of agreement rather than in negotiations themselves, where the existing collective agreement provides a firm foundation for the arbitration decision. However, in the case of interest disputes there is no existing collective agreement, and the arbitrator has a far more difficult task of determining what a reasonable and acceptable collective agreement should look like.

Another important argument raised by Christensen is the chilling effect that binding arbitration apparently has on negotiations. If either the public employer or the union reckons that it is in their best interests to procrastinate and delay negotiations, they will do this in favor of a third party. It does not always generate the kind of atmosphere or spirit in the collective bargaining process which would bring the parties to a settlement.

Compulsory arbitration with its own set of associated costs, the major hope for employer/employee harmony, is not the post-impasse procedure, but the bargaining process; not the resolution of impasse, but its avoidance. No matter what gimmicks are added to the arbitration process, much of its chilling effect on negotiations will remain hence if compulsory arbitration is specified as the only acceptable, post-impasse procedure. The need to resort to it is likely to occur quite frequently, but as mentioned earlier by Christensen, apart from disputes over public sector compensation levels, the arbitrator has no clear guidelines on which to base his or her ultimate decision. Basically they listen to the proposals, and then they have the difficult task of making a decision as to what the ultimate settlement will be in terms of benefits, the fringe package, wages, and classification, which in most cases would be foreign to them. It's an area which is foreign to most of them, and it's a very complex and difficult area to determine. So their decisions are not based on a factual decision which could be arbitrable on an agreed to agreement. Their decision would be made on the substance of that agreement. The arbitrator must take a calculated risk that in fact he, within his or her mind, has been able to digest and determine all the exact, specific details that separate or have caused the impasse between the two parties.

Despite the legislation, illegal strikes based on the issue of the right to strike have occurred. Basically, this is the issue I wish to present briefly to the Legislature. It can be stated that the current arrangement does not guarantee security. In other words, the lack of that right does not guarantee the security of supply to the liquor industry. It should be noted that the incidence of strikes is, for the most part, not appreciably higher in those provinces where liquor workers have the legal right to choose to withdraw services if that is their choice.

It has been argued that the move to give retail and wholesale liquor workers the right to strike would be easily facilitated by dividing the ALCB into two Crown corporations. One would be the licensing and regulations department, and the other would be the distribution one.

I think that is plausible and a feasible direction to go. Workers of the liquor distribution branch of the Alberta Liquor Control Board, in B.C. for example, bargain as separate units. Such a division certainly would be plausible, given the present structure of the ALCB. I believe that the division of ALCB into Crown corporations, or 'privatization', can be achieved, and it could be compared to the various food and produce vendors in the private sector which supply the various retail outlets with produce.

Mr. Speaker, the question then boils down to whether the ALCB is merely an agent regulating the sale of liquor or whether, in fact, it is a business which conducts business on behalf of the government. I would submit that it does. In '78-79, a total of \$155 million was earned by the ALCB. The operating expenses were roughly \$34.5 million. The total costs for liquor and beer were in the area of \$265 million. The answer probably is that the ALCB is a mixture of both, which points toward the release of at least a segment of the ALCB workers from being classified as public employees.

In addition, the ALCB does have financial accountability as a private corporation, and in this way distinguishes itself from, let's say, the workers in other departments of government. I'm particularly thinking of the guards at the various institutions in the city.

In conclusion, Mr. Speaker, I would support this motion as worded because it would put the ALCB retail distributing workers under the jurisdiction of The Labour Relations Act. They would be free to choose their own bargaining agent and would be recognized as equals with other employees in the province. This change would also give the ALCB workers the necessary tools as other workers to achieve those aspirations and goals through the normal process of collective bargaining under the Labour Act, and certainly they would have equality in that regard. If needed, the ALCB workers would have the legal right to withdraw their services.

It should also be noted that the present system is working well, I believe, in the minds of some. But 'privatization' of the ALCB, with the ensuing right to withdraw their services, should be a positive step for the government to take. I urge my colleagues and all members of the Legislature to support Motion 211.

Thank you.

MR. D. ANDERSON: Mr. Speaker, I'm happy today to rise in support of Motion 211, and in doing so would like to congratulate first the hon. Member for Calgary North West, who so eloquently introduced the motion and, I think, did so at an appropriate time in the history of labor relations in the province of Alberta. She outlined in some detail the history of the ALCB and the development of relations with that particular body.

I'd also like to congratulate the hon. Member for Edmonton Belmont. In his remarks, I believe that his years of direct experience in labor relations have allowed him to have a perspective on this particular issue and the more general issue of labor in our province than many of us have able to get from the other side.

I would like to say that there are some difficulties with introducing and passing this motion. First of all, there's no doubt that if passed it would set up a precedent which would then allow other public service groups to try to see if they, too, could be excluded. It would be seen as unfair by those who haven't had similar legislation passed. And I suppose there are those who might suggest the passage of such a motion would indicate we are encouraging

people to strike.

Having said that, I strongly support the intent of the motion. I do so because I believe, first of all, that it's fair. It's difficult for us to say that workers in this particular area are essential to the people of Alberta and to their operating needs, though once in a while at the odd football game some of my colleagues may debate that. Secondly, I believe that the public now has a perception that we have outlawed strikes in this particular area but at the same time have allowed them among hospital workers and teachers, where they feel they've faced hardships as a result of strikes in Calgary in the last while.

I suppose most of all this motion allows us to look at the whole area of labor relations, in particular at the public service and how we deal with our workers. I think that's a very positive direction to go. Therefore, I very strongly support the motion.

In saying that, however, I would have to emphasize that I personally believe we've spent too long as a nation, in fact in North America as a whole and Alberta specifically, looking at whether one should or should not strike and not considering options to the strike that should be available in our community. Over the past number of years in labor relations, we've not progressed very far in finding a solution to that conflict or adversary situation which we've so often found ourselves in in our society, and which has harmed the employee, the employer, and the general public to a great extent.

Many nations in the world have faced that difficulty. I believe we have to begin to be innovative and look at a number of possible alternatives if we're going to have good labor/management relations in this province and if, indeed, we're not going to face some of the difficulties nations such as Great Britain have faced as a result of strife.

Mr. Speaker, I have a number of remarks with respect to options we might want to consider, in both the private sector and the public sector. Because of the limitations of time, I will now move to adjourn this debate, only saying that I am in support of the motion and again congratulating the Member for Calgary North West in raising the issue.

MR. SPEAKER: Does the Assembly agree?

HON. MEMBERS: Agreed.

MR. HORSMAN: Mr. Speaker, it is not proposed that the House sit this evening. Therefore, I move that we do now adjourn until 2:30 tomorrow afternoon.

MR. SPEAKER: With the indulgence of the Deputy Government House Leader, before putting the question I wonder whether I might advert again to the point which was raised briefly at the beginning of our proceedings this afternoon under Orders of the Day with regard to Motion No. 219, which is item 18 under Motions Other Than Government Motions.

Since that time, I have had an opportunity to look into the matter further. It appears that the subject of the inquiry was whether information had been given out and whether representations had been made to Executive Council. Those are two topics which, of course, are quite different from the theme of this motion. Consequently, subject to considering any further remarks which any hon. member might now wish to make, or a request for delay, I would be inclined to say that the motion is in order and that we could proceed with it on Thursday.

Is there any member who wishes to make any further observations or who would like to move that the matter be further considered later? In the absence of that, I'd say that the motion is in order for debate and that we could proceed with it on Thursday, if that's the intention of the House.

Recalling the motion by the hon. Deputy Government

House Leader for adjournment until tomorrow afternoon, is it agreed?

HON. MEMBERS: Agreed.

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

