

LEGISLATIVE ASSEMBLY OF ALBERTA

Title: **Thursday, July 10, 1986 2:30 p.m.**

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

PRAYERS

[Mr. Speaker in the Chair]

head: **INTRODUCTION OF BILLS****Bill 14****Small Business Term Assistance Fund Act**

MR. JOHNSTON: Mr. Speaker, I request leave to introduce Bill 14, the Small Business Term Assistance Fund Act. This is a money Bill, Mr. Speaker, and Her Honour the Honourable the Lieutenant Governor, having been informed of the contents of this Bill, recommends the same to the Assembly.

Mr. Speaker, the small business term assistance fund is extremely important to the province of Alberta in terms of our economic policy for this spring session and essentially parallels a similar Bill, the Farm Credit Stability Fund Act, which was introduced just a few days ago.

Mr. Speaker, this legislation confirms our campaign commitment to establish a \$750 million fixed rate, 9 percent interest program for the small business sector of this province. This Act provides for the establishment of the fund and provides for the legislative authority to make regulations under the Act which will set out the terms and criteria of the loans themselves.

Through this legislation, Mr. Speaker, we will find that in Alberta, in the small business sector in particular, we will generate new jobs, new investments, and a new vitality.

[Leave granted; Bill 14 read a first time]

Bill 9**Department of****Economic Development and Trade Act**

MR. SHABEN: Mr. Speaker, I request leave to introduce Bill 9, the Department of Economic Development and Trade Act. This being a money Bill, Her Honour the Honourable the Lieutenant Governor, having been informed of the contents of the Bill, recommends the same to the Assembly.

Mr. Speaker, the purpose of this Act is principally to reflect the changes in organization that occurred in January as a result of the restructuring of the Department of Economic Development and Trade from the former Department of Economic Development.

[Leave granted; Bill 9 read a first time]

Bill 4**Department of****Forestry, Lands and Wildlife Act**

MR. SPARROW: Mr. Speaker, I request leave to introduce Bill 4, the Department of Forestry, Lands and Wildlife Act. This being a money Bill, Her Honour the Lieutenant Governor, having been informed of its contents, recommends the same to the Assembly.

Mr. Speaker, this Bill formally establishes the Department of Forestry, Lands and Wildlife.

[Leave granted; Bill 4 read a first time]

head: **TABLING RETURNS AND REPORTS**

DR. REID: Mr. Speaker, I wish to file with the Assembly the report of Mr. Al Dubensky on the disputes inquiry board into the dispute between the United Food and Commercial Workers Local 280 P., Edmonton, Alberta, and Gainers Inc. of Edmonton, Alberta.

MR. DINNING: Mr. Speaker, I wish to table the 68th annual report of the Workers' Compensation Board of Alberta for the year ended December 31, 1985.

MRS. CRIPPS: Mr. Speaker, I wish to file a response to Question 137.

MR. STEVENS: Mr. Speaker, I wish to table the report of the Chief Electoral Officer on the general election of the 21st Legislative Assembly held Thursday, May 8, 1986, and to note that there will be a supplement when the information is available, expected in mid-August 1986, on the financial addendum for the election.

head: **INTRODUCTION OF SPECIAL GUESTS**

MR. MUSGROVE: Mr. Speaker, it is my pleasure today to introduce a couple of very special guests from Bow Valley constituency. Mr. and Mrs. Don Alberts are seated in the members' gallery. Don is the chairman of the directors of the Eastern Irrigation District. He's also a feedlot operator and a very progressive farmer. Mrs. Alberts was for several years the principal of the school in my hometown. They're seated in the members' gallery, and I would now like them to stand and receive the warm welcome of the Assembly.

MR. STEVENS: Mr. Speaker, in your gallery today, I would like to introduce to you and to members of the Assembly Mr. Patrick Ledgerwood, Chief Electoral Officer for the province of Alberta. He is accompanied by Mr. Brian Fjeldheim, director of election operations. Would these two officials please stand and receive the warm applause of the Assembly.

MR. WRIGHT: Mr. Speaker, I'd like to introduce the Rev. Joseph Curcio and Mr. Hank Zyp. Father Curcio has been a parish priest in various Third World countries throughout most of his life, but also for two years he was a parish priest in the Boyle Street area of Edmonton, in which he founded Our Place drop-in centre for addicts, prostitutes, and others. Mr. Speaker, he is currently and has been for two years a parish priest in a parish in Nicaragua to which he will be returning shortly. In that parish Mr. Hank Zyp helps run a Change for Children farm co-operative assisted with, amongst other sums, a \$12,000 grant from the government of this province. It's a development project in the Muelle de los Buyes area in Nicaragua. Would the gentlemen in the public gallery rise and receive the welcome of this Assembly.

MR. SPARROW: Mr. Speaker, it is indeed a pleasure today to introduce special guests visiting our city from the Wet-

kiwin-Leduc constituency, Richard and Violet Martin. Their daughter married Stockwell Day, who is in the Legislature. Along with them are Ray and Barb Schmalz. They're all in Edmonton because of the big Gideon convention. I wish they would rise and accept the warm welcome of the House.

MRS. MIROSH: Mr. Speaker, I would like to introduce to you, and through you, a lady who is currently running as a candidate in the Calgary municipal election, ward 13, which is in my constituency, Calgary Glenmore, and the Calgary Shaw constituency. I'd like you, Mrs. Flo Volcko, to rise and receive the warm welcome of this Assembly.

MR. DAY: Mr. Speaker, I'd like to introduce to you, and through you to the members of this House, a constituent of mine keenly interested in the political process, coming from the fine constituency of Red Deer North and within that fine constituency the even finer area of Oriole Park. I would like Valerie Ward to rise and receive the warm welcome of this Assembly.

MR. ADAIR: Mr. Speaker, it's my pleasure to introduce to you, and through you to the members of this Assembly, Mr. and Mrs. George Janzen of the hamlet of La Crete, 25 miles south of Fort Vermilion, the second oldest community in the province of Alberta. The Janzens have been very active in the community, both with the Chamber of Commerce and with the committee attempting to put in place an ambulatory care facility in the community of La Crete. I would ask them to stand and receive the warm welcome of this Assembly.

head: ORAL QUESTION PERIOD

Economic Outlook

MR. MARTIN: Mr. Speaker, I'd like to direct the first question to the Premier. It refers to the Treasurer talking about the private sector, and we'd like to talk about what is really happening. Dun & Bradstreet has done an alarming survey of Alberta business failures, which indicates that in the first six months of this year there has been a 46 percent increase in numbers of business failures over the same period last year. My question to the Premier: has the premier asked his cabinet colleagues, perhaps co-ordinated by the minister of economic development, to go back to square one at this particular time and thoroughly review provincial economic policies? If he hasn't, I'd like to know from the Premier what he's going to do to stop this tide of red ink.

MR. GETTY: Mr. Speaker, certainly nobody is pleased when there are bankruptcies, and if there were just one, we would be concerned. Obviously, there are more than that. I might draw to the attention of the hon. Leader of the Opposition, though, that there are some conflicts in the statistics. I have a summary which shows that there are 10 percent less this year over last year. I don't think the hon. member should just take any report that arrives and consider that it is the gospel. Perhaps we should try and see how the statistics differ so markedly, and then perhaps we could discuss it.

MR. MARTIN: A supplementary question. I'm glad the Premier asked, because we did check it out. He's going by bankruptcies, but Dun & Bradstreet are talking about

business failures, which include receiverships, proposals to creditors, receiving orders, and bankruptcies. That's the difference in the figures.

But the major point I want to make to the Premier and come back to is recognizing that we're having these problems. Is there now a new economic strategy that is being developed by this government to compensate for these major problems that we're having?

MR. GETTY: Yes, there is, Mr. Speaker.

MR. MARTIN: A supplementary question. The Premier may be cute and say, "Yes, there is." I think the people of Alberta would like to know, but let me ask one other question to the Premier. The Premier indicated that he hadn't bothered to read the previous government's vaunted white paper. I take it now that he's gotten around to reading it, seeing that the Treasurer was one of the authors. Is this still the direction that this government intends to go, to move towards?

MR. GETTY: Mr. Speaker, again the Leader of the Opposition is incorrect with the allegations leading up to his question. I certainly read a great deal of the white paper. I just didn't read every word of it, which is what I said to somebody, and they have since passed it on, I gather, to the Leader of the Opposition.

Mr. Speaker, the white paper had a great deal of valuable information, and as a result of it, members of the government were able to garner a tremendous amount of input from Albertans all over Alberta. Certainly the valuable portions of that will continue to be used in future government planning. I might say that if the Leader of the Opposition is looking for new directions, he only has to look at the throne speech and the budget.

MR. MARTIN: I'm glad the Premier is now a speed reader. His idea of new is slightly different than mine, because I think we've had an election campaign on those particular things.

My question is to the minister of economic development, and it has to do with some other piece of bad news. Spot world oil prices are now falling below \$10 U.S. a barrel. Is the minister doing any ongoing studies correlating oil prices and business bankruptcies? If so, can he give us some idea of what an oil price of less than \$10 will do for our business economy?

MR. SHABEN: Mr. Speaker, I'm not sure whether the hon. Leader of the Opposition was in the Assembly the other evening when we began to deal with the estimates of the Department of Economic Development and Trade, but in it I outlined the priorities of the department, particularly with respect to small business, international trade, and diversification. I also made the comment that all of us recognize oil and natural gas and agriculture as the key ingredients of our economy, and having those two main elements of our economy being battered at the same time cannot but affect the overall economy of the province.

Our response, Mr. Speaker, has been, as the Premier indicated, outlined in the throne speech and the budget speech very effectively, and today the Provincial Treasurer introduced a piece of legislation that provides for a three-quarter-billion-dollar fund to support small business.

If the hon. Leader of the Opposition would also refer to the April 9 *Hansard*, when my predecessor outlined the

initiatives that had been taken by this government in diversification and broadening our economic base, I would think that his question would have been answered both there and earlier by the Premier.

MR. TAYLOR: A supplementary, Mr. Speaker, to the Premier, who may want to pass it on to the Provincial Treasurer. In view of the fact that Sheik Yamani is now selling oil for less than \$8 a barrel, what does he forecast his new deficit will be?

MR. GETTY: Mr. Speaker, that is something I would imagine the hon. Provincial Treasurer might want to respond to. However, I would think that the gentlemen opposite shouldn't take such pleasure in sad news. They seem to just glory in the fact that there are problems. Everybody recognizes problems, but I can hardly see them restrain themselves when they see that there are problems for the energy industry with low energy prices. We have a great deal more confidence in this province than they do, obviously. We feel that the people of Alberta can handle the problems, and the people of Alberta will handle the problems despite the negative thinking of the members of the opposition.

MR. R. SPEAKER: Mr. Speaker, a supplementary question to the Premier. It's a question of confirmation from the Premier. The Leader of the Official Opposition has indicated that 46 percent of business failures in the province of Alberta through various means — I was wondering if the Premier could confirm or reject the policy of government as to whether it accepts the proposal of the New Democratic Party that feels that the solution to saving those businesses is pumping in public funds in order to maintain them in the province of Alberta.

MR. GETTY: Mr. Speaker, on that matter I think the hon. leader of the Representative Party and myself have very similar views.

Dubensky Report

MR. MARTIN: Mr. Speaker, the minister obviously has had a chance to review the Dubensky report although, of course, we in the Assembly have not yet. Will the minister tell us which of Mr. Dubensky's recommendations he will be implementing first?

DR. REID: It's not a matter of my implementing the recommendations, Mr. Speaker. I have already sent copies of the report this morning to Mr. Pocklington, representing Gainers, with a copy to Mr. Ponting, his legal counsel, and have also sent a copy to Mr. Ventura, the president of the local union here in Edmonton with, again, a copy to Mr. Derraugh, the representative from Toronto. We will now wait for the responses of the two parties to the report from Mr. Dubensky.

MR. MARTIN: A supplementary question, Mr. Speaker. Now that the report has been given, the minister really has no more excuses. My question to the minister: will he be announcing a mechanism for a speedy review of our, if I might say so, terrible labour laws next week at the latest? If not, will he tell us now what he's waiting for?

DR. REID: Mr. Speaker, I'm not going to take the opportunity to get into a debate about the quality of our labour

legislation in this province although the leader gave me ample opportunity. That review will be announced shortly, and it will be done with reasonable speed in order to review the legislation, to see if there are problems with it and what can be done to correct it. The nature of the review will be announced in due course.

MR. MARTIN: That's what we like, "shortly" or "due course." That could mean in the 20th century sometime. To follow up, Mr. Speaker, Mr. McMillan of Fletcher's has emphasized the importance of national parity at Gainers for the whole meat packing industry in the province. My question to the minister: given the Dubensky report, has the minister seen any evidence that anything other than parity and a change to our laws will lead to a Gainers settlement?

DR. REID: Mr. Speaker, perhaps I should quote from some other information from Mr. McMillan, which is included in Mr. Dubensky's report:

Because neither firm goes along with Canada Packers' trend-setting agreement, contends Fletcher's president, Garry McMillan, the eastern-based unions now want to shut down what's left of the hog industry in Alberta. He contends that AFCWU members are ignorant on the larger issues and do not realize that they could close the plants for good with unrealistic wage demands. "They don't have a clue. Their jobs are on the line, but their unions played a fairly large game with their jobs and I'm afraid they're not going to like the consequences."

Mr. Speaker, I quoted that to indicate that apparently Mr. McMillan has made several statements in relation to this dispute. Also, in relation to the Gainers dispute specifically, it's not up to me to judge the calibre of those statements; I presume that other people will do that.

MR. MARTIN: A supplementary question. That wasn't the major point, but I'll come back and discuss the piece of paper. Apparently, Mr. Dubensky does not recommend parity, and his starting rate for new employees is only a bit above the \$7 rate which they conceded in 1984. My question, given that report: does the minister see any evidence at all that this will lead to a resolution of this dispute?

DR. REID: Mr. Speaker, I hope that the two sides will look at the 25 recommendations that are included in the report and that they will study the recommendations carefully. I would hope that it will reach a settlement. The specific number that was mentioned by the hon. leader in his question — the figure quoted by Mr. Dubensky is exactly halfway between the \$7 that was existing in the previous agreement as a starting wage for new employees and the \$9.38 requested by the union.

MRS. HEWES: Mr. Speaker, to the Minister of Labour. Mr. Dubensky, however, does recommend serious consideration be given to examining the labour Act, particularly in the area of replacement employees. Would it be the minister's intent to consider bringing in amendments to the Act in this regard, which in Mr. Dubensky's mind is clearly a serious problem, while the further study of the whole labour Act review is taking place?

DR. REID: Mr. Speaker, I would regard Mr. Dubensky's last paragraph in the whole report, which is the one men-

tioned by the hon. Member for Edmonton Gold Bar, as a recommendation to me that we give consideration to examining the specific provisions of the labour Act. That will certainly be a part of the review of labour legislation that I was just talking about. He also said there are several possibilities, and he didn't pick any particular one. He obviously left it to the review to take place and to make that decision.

MR. R. SPEAKER: A supplementary question to the minister. Could the minister indicate whether at this point in time any time line has been established in terms of acceptance or rejection of the report by the two parties? I'll leave the question there.

DR. REID: There are provisions within section 102 of the labour Act that acceptance has to be given to the Labour Relations Board within 10 days or the board carries out a vote of the employer or the employees. So there's a 10-day interim during which they have the chance to respond to the Labour Relations Board.

MR. NELSON: Mr. Speaker, could the Minister of Labour respond that, considering that the NDP and others like that would like to shut down the Gainers plant [interjections] and lose jobs to eastern Canada, is it not the objective of the government to see to a peaceful settlement and keep Albertans working and a plant operating in Alberta?

DR. REID: I'm sorry, Mr. Speaker. I didn't hear the centre part of the question.

MR. SPEAKER: Will the hon. member refrain from debate but ask the question, please.

MR. NELSON: Mr. Speaker, the middle part of the question, as our thin-skinned friends have heard: is it not the objective of the government to see to a peaceful settlement and keep Albertans working and a plant operating in Alberta?

DR. REID: Mr. Speaker, I have said repeatedly that the main aim of all the fairly intensive efforts of this government and the department — and I have listed those before in the Assembly, so I won't repeat the information — have been aimed at achieving a settlement, preferably by the normal collective bargaining process. That continues to be our aim and, I think, was also the aim of Mr. Dubensky.

MS BARRETT: Mr. Speaker, a point of order.

MR. SPEAKER: I'm sorry, hon. member, points of order will be raised at the end of question period, but I will recognize you then. Main question, leader of the Liberal Party.

Energy Industry Assistance Programs

MR. TAYLOR: Mr. Speaker, to the Premier. I might first remind the Premier that the only joy that the \$8 oil brings is to his national leader in Ottawa and not to anybody in this House. But in view of the Premier's singular lack of success in getting the Husky upgrader built, getting the PGRT removed, establishing a proper price after cancelling the NEP's floor price of \$22.50, and lastly, standing idly by while the national Tories give a billion-dollar grant to

the east coast energy industry, when will the Premier start putting pressure, real pressure, on the federal government?

MR. GETTY: Mr. Speaker, that certainly is being done in a variety of ways every day. It is a matter that we're concerned about. We are concerned about the problems facing our energy industry. We get no enjoyment out of it, nor do we try to play political games with those facts. But we are working to help, in every way possible, the energy industry through a very difficult time.

MR. TAYLOR: Mr. Speaker, a supplementary. When will Albertans begin to see some long-term proposals from this government now that Sheik Yamani has put the price of oil down below \$10?

MR. GETTY: Mr. Speaker, we have assisted the energy industry, as the hon. leader might know, very dramatically: starting last year, a very dramatic decrease on a long-term basis in royalties, which supplied hundreds of millions of additional dollars to the energy industry. That decrease goes on years and years into the future, a long-term assistance. Also, we reduced the royalty tax credit by \$100 million, and that continues long into the future. We've also come up with additional assistance for the remainder of this year in order to give time to work with industry to come up with additional projects that may be able to help them on a longer term basis. It's important that we know that the long-term assistance is devised in a way that will have the needed results, and we are working with industry and the federal government to come up with that kind of scheme.

MR. TAYLOR: A supplementary, Mr. Speaker. Royalties are still higher than they were in the 1970s. What insurance does the Premier have that the federal government will support last week's Minister of Energy's statement that aid to small producers could take the form of an equity package?

MR. GETTY: Mr. Speaker, as the Minister of Energy mentioned, that is one option that's being looked at because it was raised by a certain portion of the industry. Therefore, since the industry has raised it, we think it should be given serious consideration. There are other ways to look at it, and there are a variety of proposals coming from industry. They're all being evaluated, and we will try and see if we can't come up with one that really does the job.

I should point out that the province can only do so much. This is a national industry, and it's important that we are able to come up with a scheme that will involve support from all parts of Canada to help the energy industry. It's so important in the future.

MR. TAYLOR: To the Premier, Mr. Speaker. I have an easy one. When will Albertans see some sort of leadership from this government? For starters, when can we expect Ottawa to remove the PGRT?

MR. GETTY: Mr. Speaker, nobody in this House has any better idea, I suppose, about that one, except the federal government. We have been asking them to remove the PGRT, we've made very serious representations to them, and they are giving it very serious consideration. The Alberta Members of Parliament are fulfilling their responsibility and also pushing very hard to have the PGRT removed. I think that it is the least that can be done on behalf of the federal government, considering the tremendous contribution that

Albertans made to the rest of Canada during the period of high energy prices. Some small amount of money, relatively speaking, that's involved in the PGRT should rapidly be removed, I think. Then some additional assistance, which regardless probably of how large that would be, wouldn't come close to the contribution to Canada that Albertans have made over the past five to 10 years.

MR. MARTIN: Mr. Speaker, now that the spot world oil prices are below \$10, I would like to ask the Premier what price it will take this government to ask the federal government to renegotiate the Western Accord and bring in a floor price and import quotas. Is it \$9, \$8, or 20 cents a barrel?

MR. GETTY: Mr. Speaker, the hon. Leader of the Opposition has only one idea, which he keeps referring to, which is a floor price. I've told him and other members of the Legislature that it is way down on our list because it has a great number of deficiencies in it. There are certainly various other proposals that we are also considering, ones which we think will do the job far more effectively than the one that the Leader of the Opposition has mentioned.

MR. R. SPEAKER: Mr. Speaker, my question is to the Premier with regard to the discussions going on with Ottawa. I understand the two ministers of energy are discussing the matter. Because of the seriousness of the matter, in the interim is the Premier speaking with the Prime Minister? If that has happened, what is the current attitude of the Prime Minister with regard to this subject? Is it only concern, or has he placed himself on record in terms of some substance, particularly with the question of the PGRT?

MR. GETTY: Mr. Speaker, I've discussed the matter with the Prime Minister on various occasions. However, I'm afraid I'm unable to disclose to the House the conversations I had with him, and therefore I can only say that the Prime Minister is aware of the desires of our government and the needs of our energy industry. We only hope that awareness is translated into assistance.

MR. SHRAKE: Mr. Speaker, the previous question by the Member for Westlock-Sturgeon seemed to confuse me, and I think it left some confusion. He was asking about a commitment to the Husky upgrader. I was just wondering if the Premier can't clarify that for me. Did we not get a commitment for millions of dollars to start the engineering and design work, which takes a few years? Is that not going ahead? Was there not a commitment there?

MR. GETTY: I'm glad the hon. member mentioned that, Mr. Speaker. I didn't touch on it, although it was raised by the Member for Westlock-Sturgeon. It is true that the Alberta government, the Saskatchewan government, and the federal government have worked with Husky in a co-operative way, and that project is proceeding. We hope that a final go-ahead on construction and full completion will be given after the engineering work, which was essential to be done, is completed.

Farm Credit and Small Business Assistance

MR. R. SPEAKER: Mr. Speaker, my question is to the Provincial Treasurer is with regard to the Alberta farm credit stability program. A number of farmers wishing to make some new purchases and also looking at refinancing

current credit are asking what they should do in the interim while the minister and the government are trying to put this program in place. I was wondering if the Provincial Treasurer could indicate what steps the farmers should take during this interim period of time. Should there be short-term borrowings? Should there be refinancing and negotiating with the bank that can be refinanced and renegotiated again after the 9 percent program and application are in place?

MR. JOHNSTON: Mr. Speaker, I think there are several general explanations that can be given for the period between now and the time that the farm credit stability program is up and operating. The first thing I would suggest is that the farmer get his financial position in order; that is to say, the information that's necessary for him to provide to the financial institution some evidence as to his cash flow and describe for his own financial institution the purposes for which this money may be required. That may well be in addition to the existing line of credit which is established by the farmer at his own bank or financial institution.

Secondly, Mr. Speaker, I believe that with the introduction of this legislation, both the small business legislation today and the farm credit stability Act a few days ago, the financial institutions are now well aware that the government's commitment to make this program work is clear. The money will be available to make it effective, and we can give all the private sector, the farm and the small business sector, the assurance that the program will be up and running. Therefore, this pause will allow the existing financial institutions to at least provide a recess in terms of foreclosures or putting additional pressure on the private sector.

So I'm hopeful, Mr. Speaker, that by the time we get our negotiations completed with the financial institutions in the next few days, we can move with the program, and the comfort we have described, which will flow to the farming and private-sector community, will in fact be available to them.

MR. R. SPEAKER: Mr. Speaker, a supplementary to the Provincial Treasurer with regard to the source of funds. The Heritage Savings Trust Fund is mentioned as potential interim funding; secondly, the offshore or other countries and, as well, banks. Could the minister indicate at this time whether those sources are in place and negotiations have been finalized?

MR. JOHNSTON: Of course, Mr. Speaker, in terms of the provision of immediate resources to make the program operate — that is, the funds which will be transferred to financial institutions — I can give the assurance that we do have a variety of Alberta-based resources to do just that; that is, the Heritage Savings Trust Fund and whatever surpluses are available within the General Revenue Fund itself.

Secondly, we are investigating the best possible set of options for us to secure long-term borrowing for these two programs to flow into the funds and therefore provide the resources for both the farm credit stability program and the small business program itself.

I cannot give any specific commitments at this point or further details about the way in which this financing will take place except to say that we're examining all the possibilities. The rates seem to be trending in the right direction, and the currencies which obviously set in place some of the problems in terms of swapping or the exposure which we take are now being examined very carefully so

that we can get a matrix or a combination of exposure in a variety of markets and a variety of currencies to make the programs operate.

MR. R. SPEAKER: Mr. Speaker, a supplementary. Will the funds that will be diverted into this program be funds that are currently earning an interest rate or a net benefit, I guess, to the Heritage Savings Trust Fund? Will those be the funds that will be diverted?

MR. JOHNSTON: Mr. Speaker, obviously we have maintained in a liquid form a fairly sizable pool of assets within the heritage fund itself. I'm not absolutely clear as to the exact amount, but it does approach \$1.75 billion to \$2 billion. That money would be available for transfer to these two funds which have been set up by legislative authority and then on to the financial institutions to make the program operate. We will be using that as a first drawdown until we can put the long-term financing in place at the most advantageous rate. The rate charged by the Heritage Savings Trust Fund to these two funds, should it be operative, would be determined by the current T-bill rate or some other appropriate rate. Therefore, we would pay from the General Revenue Fund and from the operations of the fund to the heritage fund some reasonable rate for the use of those funds over that term.

MR. R. SPEAKER: Mr. Speaker, as clarification in terms of timing, the minister indicated that shortly or in about a week there will be further announcements of concrete substance. Could the minister be a little clearer with regards to that timing? Are we talking about the third or fourth week of July as to more of a public pronouncement about the program?

MR. JOHNSTON: Mr. Speaker, I think some of the fundamental details with respect to those two programs have already been put forward by my colleague the Minister of Agriculture and will be made available today by my colleague the minister of economic development — enough information at least to provide general direction to the financial community and to the farming and small business communities themselves so that they can tailor their own program as to whether or not it will fit within these programs.

Obviously, Mr. Speaker, it should be clear that some farmers and some small businessmen will be ineligible for the program, but in both cases it's designed to take in as broad a cross section of farmers and small businessmen as possible. We're doing that by using our financial resources of the province, both in terms of the funding which the member has inquired about and in terms of providing guarantees to the programs and financial institutions to ensure that in those difficult cases the farm loan or the small business loan is made.

In terms of specific dates of the program, I've been here for at least two or three years, and I can assure you that I know, from my hon. colleague's experience at least, that you don't want to get tied down too specifically to a date. I have already said we would like to have the farm credit program operating by the end of July, and I fully believe we can meet that commitment. If we can do it sooner, obviously we will.

In terms of the small business program, as we have indicated before, Mr. Speaker, it will take us just a touch longer to put it in place. Probably that will take into August sometime, because our priority right now is to deal with

the particular problem raised by my colleague; that is, to satisfy the farm credit sector. We're rushing with all our resources and efforts to get that done as soon as possible.

MR. FOX: Mr. Speaker, a supplementary to the hon. Provincial Treasurer. Would he confirm that one of the reasons for the inordinate delays in the implementation of this program is the difficulty he's having in persuading private lending institutions into accepting 9 percent loans on loans for which they're receiving a rate of prime plus 1.5 or prime plus 2? That being the case, will all the refinancing type of loans under this program be directed through the ADC?

MR. JOHNSTON: Au contraire. To the contrary, Mr. Speaker. I should indicate that, in fact, the financial institutions have been extremely responsive and supportive. I don't anticipate any problem at all with respect to any of the banks or credit unions or trust companies who are involved. I have had the greatest deal of confidence that we can put a package together which will work. None of the suggestions which the member leaves in the Assembly are in fact a problem. We have only to get down to the details as to what the costs are and how the guarantees will work, and that's a question of across-the-table negotiations. The fact is that the banks and credit unions are extremely supportive, and that's the kind of co-operative spirit we're working with in this province.

MR. JONSON: Mr. Speaker, I wish to pose a further supplementary question related to the possible source of funds for this program. Could the Provincial Treasurer advise as to the schedule of repayment of principal under the Canadian investment division of Heritage Savings Trust Fund and whether it will be government policy to redeem those amounts in full as they come due?

MR. JOHNSTON: The member is testing my memory just a touch, Mr. Speaker, but it is my recollection that through '86 and '87 a significant portion of Alberta's contribution to Confederation and the assistance to other provinces in borrowing funds will be returned to the province with very high interest rates. I would expect that between now and the end of '87 approximately \$450 million to \$550 million will be coming back to the heritage fund as those inter-provincial loans come due. Unfortunately, those rates were higher than is now available in the commercial market, but I don't anticipate that the provinces in particular will use this source of money — that is, the heritage fund — to roll the loans over. They will probably instead go to the other sources of commercial money in Canada and the United States and offshore.

MR. SPEAKER: Member for Westlock-Sturgeon, final supplementary on this subject.

MR. TAYLOR: This is just the official supplementary I thought we'd followed, Mr. Speaker.

MR. SPEAKER: The supplementary.

MR. TAYLOR: Mr. Speaker, the supplementary question is to the Minister of Agriculture, who may want to pass it on to the newly sophisticated Treasury minister here. Could he tell us, in view of the wait that appears will have to take place before these things can be put into place, that

he will have the Farm Credit Corporation declare a moratorium on any procedures that are moving towards foreclosures or anything while we're waiting for the new plans to come into place?

MR. ELZINGA: Mr. Speaker, I'm surprised that the hon. Member for Westlock-Sturgeon doesn't recognize that Farm Credit Corporation falls under the federal government.

Energy Industry Assistance Programs
(continued)

MRS. MIROSH: Mr. Speaker, through you I'd like to ask the Energy minister if he could please give me an update on the shared industry/government programs relating to the oil service companies and a follow-up as to the development of these programs, as well as the effect that these programs have had with the private sector.

DR. WEBBER: Mr. Speaker, one aspect of that program was a question that was asked yesterday in terms of the take-up on the incentive programs that were announced last April and in June. The exploratory drilling program, which has a deadline of the end of the year, is a program where the take-up hasn't been as great as I had hoped it would be. However, having said that, we do go through a yearly cycle where most of the exploratory drilling occurs in the fall and winter, and the expectation is that we will see a larger take-up on that program in the fall.

The other two programs that are being responded to reasonably well are the developmental drilling program and the well servicing program. I say reasonably well as best we can tell at this particular time, because the applications for those programs would not be coming in in a large way until after the work is done and the contractors have been paid. So the expectation is that during the later part of the summer those two programs that have a deadline of the end of September will be taken up.

The geophysical assistance program is more tied in terms of timing with the exploratory drilling program, and we expect that there will be further take-up on that program later in the year as well.

Oldman River Dam

MR. YOUNIE: Mr. Speaker, for the Minister of the Environment. Yesterday in his lengthy dissertation the minister said a number of things which demand clarification. Estimates now see the cost of the Oldman dam escalating from \$200 million to \$349.6 million. Every other major dam this government has built ended up costing at least two and a half times the estimated cost. What real evidence does the minister have that the final cost of the Oldman River dam will not be over half a billion dollars?

MR. KOWALSKI: Mr. Speaker, I don't quite know how I can look into the future. In the overview statement that I gave yesterday with respect to the estimates of the Oldman River dam, I talked about three components with respect to the dam: component number one, which would cost X amount of dollars; component number two, which would cost X amount of dollars; and I talked about land acquisition costs, environmental, archaeological, paleontological, and mitigative costs. I pointed out that in terms of land acquisition some individuals have received upwards of \$700,000 for land prices. That was more than we had originally antici-

pated. They eventually found they were working here for the NDP in Edmonton.

I indicated as well that part of the dam infrastructure is the land associated with roads. The road to the dam is not an actual cost factor with the dam. But some recent correspondence from folks in the Cayley area pointed out and indicated to us that they thought it would probably be appropriate for the government to not only build a dirt road but perhaps pave it. If the decision is made to pave it, there's no doubt at all about the fact that the price will go up.

MR. SPEAKER: Hon. minister, we're in question period not in estimates. Supplementary question, please.

MR. YOUNIE: Mr. Speaker, is the minister doing anything at all to try to curb these alarming cost over-runs, or is he content just to let the cash register for the dam keep on ringing until we have our first billion-dollar dam in this province?

MR. KOWALSKI: The answer to the question, Mr. Speaker, is an emphatic yes.

MR. YOUNIE: Glad to hear it. A supplementary, Mr. Speaker. What studies does the minister have comparing the benefits of more irrigated land in southern Alberta at a cost of over \$7,000 an acre to developing new agricultural land in other areas of the province?

MR. KOWALSKI: Mr. Speaker, in terms of the guidance that you gave me in response to the first question, I want to clarify my response to the second question. The member very, very specifically asked me if the minister was concerned about the costs and if he was taking steps to ensure that they would not escalate, and my answer was a very emphatic yes.

MR. YOUNIE: My figures were based on present costs, by the way. Mr. Speaker, could the minister confirm that dams will be built regardless of cost because the government is running out of parks to name retired Premiers after? We will soon need a billion-dollar monument for the current Premier.

MR. SPEAKER: Excuse me, hon. member. Additional supplementaries from other parts of the House?

MR. R. SPEAKER: Mr. Speaker, supplementary question to the minister, and this wasn't covered in his remarks yesterday. It is a concern of mine with regard to the Oldman dam. Could the minister confirm that the major purpose of that Oldman dam is to give reliability and stability to water in the Lethbridge Northern Irrigation District during years that we have severe drought and severe problems with obtaining water for that respective district?

MR. KOWALSKI: Mr. Speaker, yesterday in pointing out the reasons for the dam, I pointed out that water management in the southern part of the province was a primary, primary reason for the construction of the Oldman River dam. Hon. members will recall the various questions and debates that occurred in the House during the heavy drought years in the early 1980s through 1985 and the need to move forward with a very sophisticated and important project for the long-

term future viability of agriculture and economic diversification in the southern part of the province.

MR. TAYLOR: A supplementary, Mr. Speaker, to the minister. Is the minister conducting any studies or is he going to commission any studies to give him an idea of when that dam will be silted up to the extent that it will no longer be supplying water?

MR. KOWALSKI: Mr. Speaker, the Oldman River dam, as so rightfully pointed out by the Member for Little Bow, is extremely important to the long-term viability of the southern part of this province in terms of agriculture and the like. If the hon. Member for Westlock-Sturgeon had been in the Legislature yesterday afternoon, he would have noted that I spoke for some period of time with respect to the importance of the dam and the variety of studies that were being undertaken.

I would like to point out, Mr. Speaker, that the Blues that were printed as of yesterday cover 33 pages of text. Of those 33 pages 16 were taken up by comments made by the Minister of the Environment on one of the most important economic diversification and agricultural projects that we have in this province. Seventeen pages of that were initiated by procedural wranglings established by the socialist NDP.

MR. SPEAKER: There are three minutes left in question period. The Chair recognizes the Member for Calgary Buffalo.

Energy Prices

MR. CHUMIR: I have a question for the hon. Premier. In the Western Accord the government agreed that the market should determine the price of natural gas. Yesterday in contradiction the Premier stated that the government will insist that Alberta gas not be sold below fair value, thereby rejecting the market. Will the Premier tell the House and those companies which are currently in the midst of negotiating gas contracts just what he considers to be a fair market value of natural gas and the principles that he would apply in determining that fair value?

MR. GETTY: Mr. Speaker, natural gas is an extremely important resource to the people of Alberta; they own it. Obviously, if the market is operated between a buyer and seller in a fair and reasonable way, then they will end up with fair market value. We're not rejecting market value. People who were here long before me or the hon. member knew that the importance of that resource should also have built into our legislation and our leases the ability to ensure that it is sold at fair market value and not wasted by being sold too cheaply. I've expressed that in the House two days now. I think it's something that's extremely important to the people of Alberta that that be known.

I'm not sure whether the hon. member would suggest that we should not fulfill that responsibility and have the resource wasted by having it sold too cheaply. I think that Albertans would say no. I'm not sure what the hon. member is suggesting in that regard. Any government I'm part of will insist that before we approve a gas removal permit, we must be assured that it be sold at a fair price.

MR. CHUMIR: A supplementary.

MR. SPEAKER: Forgive me, hon. member. The time for question period has expired. Does the Assembly agree to finish this series of questions, the questioner plus his own series of supplementaries?

HON. MEMBERS: Agreed.

MR. CHUMIR: Mr. Speaker, a supplementary to the Premier, who does not seem to realize that it was his government that set in motion the collapse of gas prices. Would the Premier be prepared to state whether he would consider the cost of competing fuels in the sales market to be the primary test it would use for establishing fair value in its own mind?

MR. GETTY: That would certainly be one of the tests, Mr. Speaker.

MR. CHUMIR: A supplementary, Mr. Speaker. Is the Premier aware that the government is currently circulating proposed amendments to the provincial Arbitration Act which would have the effect of reducing the price we receive for gas by moving away from this competing fuels test? Is the Premier aware of that?

MR. GETTY: Yes, I am, Mr. Speaker, and that would be another test.

MR. CHUMIR: In light of the government's concern over receiving fair value for its gas, would the Premier undertake to maintain the current provisions of the Arbitration Act in order to prevent the disastrous collapse of our natural gas prices?

MR. GETTY: Mr. Speaker, I don't believe there will be a disastrous collapse of natural gas prices. They will move with the market, and we will continue to exercise our responsibility to make sure they are not sold excessively cheaply, because that is a waste of the resource. Perhaps in debate the hon. member could tell me whether he would encourage us to not fulfill that responsibility. I'd be interested to know his position.

While I'm on my feet, Mr. Speaker, I want to respond to the Member for Edmonton Glengarry, who I think does not do himself a service by taking cheap shots at a former Premier of this province. If he, in his period of time in this House, is able to contribute even a little bit of the amount that the former Premier contributed, he will be doing himself a big credit.

MR. MARTIN: On a point of order.

MR. SPEAKER: The Chair recognizes the Member for Edmonton Norwood on a point of order, since we've come to the end of question period.

MR. MARTIN: Mr. Speaker, we're told that we can't make points of order officially but we cannot do the sort of thing that the Premier did just now, in question period. I would suggest that perhaps the Premier try to learn the rules of the House too, instead of trying to be cute. Mr. Lougheed can look after himself. A lot of people were concerned about the name of that park, Mr. Premier.

MR. GETTY: Mr. Speaker, I have every right to supplement a question that has been presented. If the hon. members

are so thin-skinned that they can't take an answer, then they shouldn't ask the question. When you take cheap shots, you'd better duck.

MR. SPEAKER: The Chair recognizes the legitimate concern of the Leader of the Opposition when he raised the matter with respect to the Premier's comment, but it did occur after question period had come to an end.

AN HON. MEMBER: Orders of the Day.

MR. SPEAKER: Thank you, hon. members. If you would like to continue to tell me my job, perhaps we could take consultation in the back chambers. Is that the Member for Edmonton Centre?

We have another point of order to deal with. The Chair recognizes the Member for Edmonton Highlands.

MS BARRETT: Mr. Speaker, in light of what has just gone on, I'd like to refer back to some comments made by the Member for Calgary McCall. I do recognize that a little sparring goes on in this place. However, when it comes to making allegations — well, I'll quote the *Standing Orders*: making "allegations against another member" or imputing "false or unavowed motives to another member," in this case collectively, under the provisions of Standing Order 23. We have to note that we take objection to the motives being imputed to us collectively with respect to support for anybody in the Gainers dispute. We do not at all want to see the closure of a plant, and I believe that was the allegation made. Similarly, we do not at any time ever want to incite violence under any circumstances. I just call the attention of the Speaker to that point of order.

MR. SPEAKER: The Chair recognizes the point of order. At that time during question period the Chair also rose and called the Member for Calgary McCall to order on that point.

The Chair has had a request from a minister to supplement information requested in a previous question period. Do we have unanimous consent of the House for that to take place?

SOME HON. MEMBERS: Agreed.

MR. SPEAKER: The Minister of Community and Occupational Health.

MR. DINNING: Mr. Speaker . . .

MR. SPEAKER: Excuse me, Mr. Minister, we haven't gained unanimous consent. All those in favour, please say aye.

SOME HON. MEMBERS: Aye.

MR. SPEAKER: Opposed, if any, please say no.

MR. TAYLOR: No.

ORDERS OF THE DAY

head: MOTIONS OTHER THAN GOVERNMENT MOTIONS

207. Moved by Mr. Heron:

Be it resolved that the Legislative Assembly urge the government to consider the elimination of school taxes on summer cottages.

MR. HERON: Mr. Speaker, the intent of this motion is to eliminate dual school taxes on temporary, seasonal dwellings in summer villages. It does not urge the elimination of tax on any primary residence or rental property, even if they are located in a summer village. I emphasize that this motion covers only the second or the seasonal residence.

Some 46 summer villages are located in Alberta, and they're taxed \$1.6 million or about one-tenth of 1 percent of the total school tax requisition in the province. We are not talking about a great amount of money when we take the total provincial school tax into consideration. I urge all members of this Assembly to discard the old myth which simply argues that those fortunate enough to own a cottage should pay all the taxes that they can.

With that up front, let me present some information which makes a case for support of this motion, the elimination of school taxes on seasonal, secondary residences. Consider two families. Family number one purchases a trailer or a motor home and utilizes the campgrounds. The provincial campgrounds cost all Alberta taxpayers \$33 million last year, and that figure is net of all fees received. Family number two purchases a small summer cottage; about 800 square feet is a typical summer cottage in the Edmonton area. This small summer cottage typically has a value of \$30,000 to \$35,000, but it can run up to \$80,000 to \$100,000 if the cottage is located at the water's edge. But we're talking about the vast majority of cottages, which are back of the waterfront and fall into the \$30,000 range.

This family number two pays from a high of 78 percent of its total taxes in school taxes; that is at Mewatha Beach. Taking all summer villages into account, dual school tax averages 49 percent of the total tax paid. At present the owner of a summer cottage is assessed a school tax by trustees and school boards over which he has no control through the democratic process. By this I mean cottage owners have no say in how the local school board spends its money. Section 2(b) of the Local Authorities Election Act gives only permanent residents a vote in electing a school board.

A serious problem exists for the summer village. The present tax system effectively discourages property improvements as the family struggles to keep the tax bill down. The summer village is penalized in that many lots remain undeveloped. Residents use temporary mobile structures to keep the property assessment as low as possible.

Let me relate my personal experience gained over seven years as mayor or councillor of a summer village. This village operated on an annual tax revenue of \$35,000 — a pretty skimpy figure considering the demand for road maintenance, snow removal, park improvements, administration, and many other demands for service. This figure of \$35,000 is small when compared to the vast amounts expended for provincial park maintenance, for example. This small summer village is typical. It provides services for 300 lots, many undeveloped but used by lot owners who put temporary structures, trailers, and motor homes on them to enjoy them and keep the tax bill down.

Consider my motion. Summer cottages pay \$1.6 million annually, or one-tenth of 1 percent. Compare this number to the provincial campgrounds, which cost Alberta taxpayers \$33.9 million minus the \$1.1 million in camping fees collected for a net cost to Albertans of \$33 million. There are 46 summer villages in Alberta, and they affect all of us here in this elected Assembly, in that nine are located in Athabasca-Lac La Biche, one in Banff-Cochrane, eight in Barrhead, two in Bonnyville, eight in Drayton Valley . . .

Without going through a list of all of them, I think I've made my point that they're widely dispersed throughout Alberta. It has been estimated that close to 10,000 members of families enjoy their properties, often with several families enjoying a single property.

Compare this figure to the very expensive provincial campgrounds and the lots which provide a service to Albertans. In 29 of the summer villages more than 50 percent of the total municipal taxes collected in 1984 were committed to school jurisdictions, schools which they do not use and schools over which they have no control as to how their money is spent. As elected members of this Assembly we have all at one time or another pledged to meet the interests of our constituents. Consider this motion, taking into account the numerous presentations made by the elected officials of each summer village and the many resolutions presented by the Association of Summer Villages.

I ask that my colleagues in this Assembly encourage the use and development of one of our most important natural resources by supporting the elimination of this unfair tax. We have numerous lakes with the 46 villages, which in many cases provide year-round enjoyment to countless families. Consider Motion 207 in terms of the equities exemplified here and in terms of the very small percentage of loss of school tax revenues to the municipalities involved. Cottages, with the odd exception, are owned by — if I may coin a phrase often used in another part of this House — ordinary Albertans, often at a sacrifice to provide wholesome outdoor activity to their family. I again ask for your support of this motion.

MR. BRASSARD: Mr. Speaker, we are all very sensitive when we refer to taxation of any kind. School tax has always been a very contentious issue because those paying do not always participate in the direct benefit. Unless you have children currently in the system, your input into the spending is not always encouraged nor welcome. It is true that we all benefit from an educated society. It is also true that we must all participate in the cost. Someone paid for my education, and I am equally responsible to do likewise.

However, that does not justify tax duplication. Most cottage owners already pay full tax on their principal residence. If the cottage is indeed the principal residence, then the owner should pay the full range of taxation; I have no quarrel with that. As well, if the summer home is clearly located in an area that is fully established as a permanent residential area, such as Banff or Canmore, then perhaps there need be special consideration of these casual residents. However, one thing should be remembered: many cottages are located on property that could be used for little else, particularly in the case of lakefront properties, as desirable as they may be.

We must remember that these cottages supply their own services in many cases: no garbage pickup, no water or sewer services, higher than normal electricity charges, little or no road maintenance, and certainly not the higher than normal cost of winter road and sewer maintenance. Compare this with the casual daily or weekly resident of a government- or privately-owned campground. These people enjoy similar facilities as far as a home away from home is concerned without any of the responsibilities of maintaining or upgrading the property, let alone paying any taxes at all.

Summer cottage owners, as was pointed out, have absolutely no input into a school system which they are forced to support, which they have absolutely no input into, and which they will not have an opportunity to utilize. In

most cases individuals have the opportunity of supporting the educational system of their choice. This too is denied the summer cottage owner, since the limited size of the area seldom justifies more than one educational system. Summer residents are forced to support a system with which they are sometimes diametrically opposed.

Mr. Speaker, we seem to take the attitude and assumption that if someone owns a summer cottage, they are in a financial bracket such that an additional tax, even though it may be objectionable, nonetheless is affordable. This is not always so. It certainly does not make it right in any event. In fact I have a difficult time understanding just how we can justify such a duplication of taxation.

I suppose one might consider a gradual phasing out of an existing tax which might place an abnormal financial burden on a given area if it were removed. But this is not the case in this instance. It has been proven that if the school taxes levied on summer cottages were removed, it would result in a loss of only 0.1 percent of the municipal taxes collected in Alberta in any one year. This is hardly a burden on our economy. Conversely, it has also been shown that school taxes sometimes comprise as high as 78 percent of the municipal taxes collected in summer villages. There is clearly an injustice existing which is demonstrated to place an unfair and onerous burden on the individual affected, but it would have little or minimal impact on the overall economy of that area if it were removed.

Mr. Speaker, in light of the fact that this is clearly a duplication of taxation, that those paying this tax receive little or no benefit from the tax, and that there is clearly a demonstrated discrimination against the summer cottage owner versus the more casual and transient campground resident, I support this motion that the government consider the elimination of school taxes on summer cottages.

Thank you, Mr. Speaker.

MR. WRIGHT: Mr. Speaker, the hon. member moving this motion, the Member for Stony Plain, did say that summer cottages maintained as principal residences should be exempted from the effect of the motion. However, that's not what the motion says. The motion simply attempts to exempt summer cottages from taxation. That would obviously be quite unfair if the summer cottage were being used year-round. I presume it would still remain a summer cottage, being in a summer village. For that reason alone I would submit that this motion should not find favour with the Assembly.

Surely if there is complaint about the incidence of double taxation on summer cottages, the answer is to accept the recommendation of the task force on school financing that the government established in 1983, which was that 85 percent of the cost of schools be supplied by the government itself and not by the local authority, as distinct from the approximately 66 percent that the government supplies at present. Then the incidence of tax on the summer cottage would not be such as to give cause for complaint and would eliminate the extra paperwork and red tape that would go with implementing this motion. In any event, Mr. Speaker, the motion does not answer to the purpose that its mover claims. For that purpose I move that debate on this motion be adjourned so that the mover, if he so wishes, can put the motion in good shape.

SOME HON. MEMBERS: Question.

MR. SPEAKER: There is no debate on the question?

There is a call for the question to adjourn the debate. All those in favour of adjourning the debate, please say aye.

SOME HON. MEMBERS: Aye.

MR. SPEAKER: Those opposed?

SOME HON. MEMBERS: No.

MR. SPEAKER: Debate continues. The Chair recognizes the Member for Bow Valley.

MR. MUSGROVE: Mr. Speaker, I certainly appreciate the Member for Stony Plain bringing this motion to our attention and certainly listened very carefully to his arguments in favour of Motion 207. However, I have a problem in supporting this motion in principle.

Municipal taxes are collected to pay for the services that are provided by the municipality, including education. Taxes are collected on the assessment of the property, and municipal taxes are levied on that assessment. The assessment is not generally an assessment on wealth. However, the value of the assessment does give an indication of ability to pay.

To say that a person should not have to pay taxes because he does not use the services that are provided by the taxes would again be against the principle of taxation. To say that he pays them to another municipality is again a problem, because there are lots of people who pay taxes to more than one municipality. We have people who have cottages within the boundaries of our provincial parks — some of them are in my area — and they argue that they should not pay any municipal taxes, because all the municipal services in the park are provided by the province. However, the principle is still carried out that because they live within that municipality, they must pay taxes to it.

What do we do with a farmer who has some farmland and a house in town? He pays taxes on his farmland to one municipality and taxes on his house in town to another one. This again is the same argument that we heard. Then we have the older couple who have long since had anyone attending school, yet they're still paying their school taxes the same as when they had students from their home going to school. What about the single people who have never had anybody whom they're educating in school? They are still charged with school taxes.

Mr. Speaker, for many years during my time on municipal council there was an ongoing debate about pipeline and power line assessment. Many municipalities argued that pipeline and power line assessment required very few, if any, municipal services, so that assessment should be collected by the province and divided between all municipalities within the province. We do have a formula today for school purposes. There is some sharing of the pipeline and power line taxes within the province, but generally the majority of the school levy and all of the municipal levy go to the site municipality.

I just had to point out some of the principles involved when we start changing our principle of taxation and what could happen in some of these other areas. Although I realize that there is certainly a lot of frustration by cottage owners paying taxes to municipalities that don't provide any service, I think by supporting this motion we would have a problem with the principle of taxation that could affect a lot of other types of assessments.

Thank you, Mr. Speaker.

MS LAING: Mr. Speaker, I rise to speak against this motion. I believe that people living together in a society agree to share through the process of taxation the costs that permit the continuation and enhancement of that society and the well-being of all its members. Taxation is based in some way on our ability to pay, rather than on our need for the services as individuals. We all recognize that we do not all use all the services provided by society, or we may, in fact, use them in unequal measure. Education of our children is one of the responsibilities held in common by all members of society. We do so to provide for the continuation of our society and to educate our children so they can take their places in society and contribute to our society to the best of their abilities. We educate them so they can also lead full and meaningful lives. As a society we would pay a high price if our children did not receive an adequate and appropriate education. As a society we are collectively responsible to educate the children of the society. It is a shared responsibility not to be divided up and assigned arbitrarily to one group or another.

I suggest that removing school taxation from summer cottages would be an arbitrary measure and in some real sense capricious. Municipalities are bearing an increasing percentage of education costs at this time. It is wrong to eliminate from the tax base one type of property. We would not, I suggest, tax only part of a house or part of a city property; we would not eliminate, say, the value of a garage or basement development. If we believe in fair taxation practices, we must defeat this motion. Many people do not own summer cottages but spend their summers in their backyards, sometimes paying for extra-large backyards which serve as an alternative to the summer property. It would border on the ridiculous to suggest that we would reduce taxes on such a property because the owner uses it for summer recreation purposes.

I believe that as members of a society, we must accept our fair share of the cost of maintaining and enhancing society. I believe that this motion deviates from that principle, and therefore I oppose the motion.

MR. JONSON: Mr. Speaker, I wish to take this opportunity to make a few comments on Motion 207.

Mr. Speaker, this motion is certainly a matter of current concern in my constituency. I note that constituents at Gull Lake, Pigeon Lake, Red Deer Lake, and Pine Lake have all been in contact with me complaining about the recent tax notices, specifically as they apply to their cottages.

Mr. Speaker, I'm also aware through the debate this afternoon, particularly that of the mover of the motion, that this is a province-wide concern, and I could certainly verify that. Recently I was at Mewatha Beach, which is located on Skeleton Lake in the Member for Athabasca-Lac La Biche's riding, and it's my understanding from talking to the residents there that 78 percent of the taxes paid by the owners of property in that particular village go for education, a service not used by any of those temporary residents.

Mr. Speaker, I mentioned this last example because it illustrates the extreme to which the situation dealt with in the motion can go. While it may well be that we should keep the tax base as broad as possible, it also has to be a taxation system which is fair. There's certainly an element of unfairness in the present situation.

Mr. Speaker, I do support the motion in that it does address a problem. As previous speakers have indicated,

there are many aspects of the current situation which are unfair if we regard taxes on property as being related to service provided. If we look at property tax as being a tax on wealth and having a broader application, there are still some problems in the application of the motion.

Mr. Speaker, I wish to raise three or four additional points on this particular motion, not from the point of view of putting down the idea as not being relevant and important but from the point of view of suggesting that as an alternative to the motion we perhaps should be looking at taking up the issue in a different way.

First, Mr. Speaker, one of the difficulties in implementing this motion is certainly going to be an administrative one. The application of changes through summer villages is relatively simple, because you have a corporate body to deal with which can easily identify the properties that would qualify. However, cottages — and I believe the intent of the motion is to apply to temporary residences used for recreational purposes — are located throughout the counties, municipalities, and improvement districts throughout this province. To identify them and to apply this particular change is certainly going to be a large administrative task, one which I do not feel we're currently tooled up to deal with.

As a second cautionary note or reservation about this motion, Mr. Speaker, there is the problem, which has to some degree already been identified, of identifying just what constitutes a summer cottage; that is, identifying this in a reasonable and fair way. Are we talking about those that we traditionally think of, located around lakes? Is that exclusively the area we're talking about here? Or of a certain size?

What do we do with cottage-type dwellings located in a town such as Canmore? Are they going to be exempt from the school tax? Then we can extend that to talk about rental properties and even go to the example of a rural family purchasing a residence in the city to, say, house their college students. Are we going to extend the argument to those people? Certainly they have as good a purpose for perhaps wanting some tax consideration as do the cottage owners.

Mr. Speaker, in this overall debate I think you ultimately have to talk about exempting second residences, and that will lead to a much greater loss of tax revenue across the province which has to be picked up in some area other than the \$1.6 million that's been figured out for cottages and summer villages. The terms of the identification of just what we are going to be applying this change to in a fair and equitable manner is, I think, also a reason for caution.

Thirdly, Mr. Speaker, there is the far different but very much related problem whereby a person living on a quarter section — permanently or temporarily, with or without a school-age family — can under the present system pay little or no school tax or any other type of property tax. That is the overall point that I would like to make in my comments on this motion.

I understand that within a relatively short period of time, we are going to have some consideration of the overall property tax system in the province. The motion certainly raises a priority concern that should be considered in that overall and general discussion, debate, and study on property taxation, but to move on this particular issue at this time would, I think, be unwise. Perhaps hon. members have a better feel for this situation than I have and think it would be received with considerable favour.

But, Mr. Speaker, in the Saturday morning coffee sessions that I attend in my constituency, this is one complaint from constituents which I don't have to worry about. Of the 10 people around the table, the two who complain are shot down by the eight others, and I can just sit back and benefit from the debate. I do not think it is an item that is by any means unanimously or even overwhelmingly supported, but perhaps the merits of the case would come out in an overall discussion of property taxation in the province. I look forward to that particular item coming forward at a future time.

There's one other comment that I'd like to make on the motion, and that's the overall issue of school taxation as it applies to property. I note that this particular issue has come up in the last couple of years. Perhaps there's another general problem that also has to be addressed, and that is that we have an increasing amount of the overall cost of public and separate school education being borne by the local property tax. Like all taxes, if the tax is not too high, not going up too rapidly, and not unreasonable, it can be accepted and paid without complaint, because I think all Alberta residents realize there has to be general support for education. I would hope that at a future time — I have a motion on the Order Paper for later on — we could also get into consideration of this particular problem. It is very much related to the sharp increase in cottage property taxes for education purposes, which is dealt with in this particular motion. We might then be able to analyze and discuss the merits of the province perhaps making an effort to take over a greater portion of the share of the cost of the basic education program.

Mr. Speaker, I think the motion has raised an issue which is of concern to many Albertans. I would like to re-emphasize that the matter dealt with in this motion should certainly be part of a general review of property taxation. I would hope that the debate this afternoon goes on the record and that the points raised are going to be dealt with in that overall review.

Thank you, Mr. Speaker.

MR. PIQUETTE: I also rise to speak against the motion. I probably have the constituency with the largest number of summer villages in Alberta, with nine. It's probably because it's one of the nicest constituencies in Alberta. That's probably the reason why a lot of hon. members have their cottages in my riding. I would surely hate to lose the tax bases they're providing to the constituency.

A good part of the county of Athabasca taxes — a property tax collected for school purposes — do come from the summer villages in my constituency. Unless there was a fairer taxation system to replace that money lost by the motion provided by the hon. member, the Athabasca school committee would be facing quite a dramatic deficit.

I think the greater issue that should be addressed is the whole question of the property tax. If the government was providing approximately 85 percent of the educational foundation program in terms of bearing the educational cost in Alberta, the whole issue that was brought up today would not be a sore point with many of the summer villages. I would recommend to the government that in their review of property taxes they have to look at a new taxation system — a fairer way of taxing for the school foundation — and that they should go to what they promised back in 1971: to pay 85 percent of the school foundation cost and the total cost of education in Alberta. Otherwise, many muni-

cialties, counties, and constituencies would be losing a lot of their property return for education.

I would like to thank you for providing more revenue for the areas in the county of Athabasca. I would very much oppose this thing, although I realize that a lot of the people who have summer villages are temporary residents and, with the downturn of the economy, can ill afford paying a lot of school property taxes. But in terms of buying property outside of Edmonton or outside of the constituency of Athabasca, it is a choice that they made and it was a free choice. If they wish to address the larger issue of school taxes, they should perhaps request a change in the whole taxation system in Alberta.

MR. HYLAND: Mr. Speaker, as I rise to participate in the discussion of Motion 207, I can well understand how the hon. Member for Stony Plain feels, as after I spoke two days ago in this Assembly, everybody that rose spoke against my motion. Not even my colleagues to my right, who are politically to my left, supported my motion. When that happened, I knew I was really in trouble.

Mr. Speaker, we're talking about taxation, and any time we talk about taxation, we talk about revenue or movement of revenue from a body, either a school board or a municipal body. We're talking about taxation on cottages where people are there part of the time, and I want to talk a little bit about cottages in provincial parks. The Member for Bow Valley talked about them as part of his comments.

In Cypress park in my constituency, there are numerous cottages, and the park rules are that you can only live in that cottage X number of days out of the year; you can't live out there all the time. Our tax system is based on the premise that you have the ability to live in the facility you're being taxed on all year. We have systems in our taxation where motions can be passed by municipal councils calling for obsolescence. The local municipal authority has the ability to tax a portion of a building or reduce the taxes because the building isn't being used. Perhaps that might be a cutoff on this motion or a proposal could be added. I want to add to the debate on this motion and say that you should only be taxed on that building for the amount of time you're allowed to occupy it, and when you're not allowed to occupy it, the obsolescence clause of the taxation Act should come into play and thus reduce the taxes because of the way the law is written.

Mr. Speaker, I think that would help alleviate many of the concerns that I've had expressed to me relating to taxation, and especially school taxation, in a provincial park and the fact that the people paying the taxes are already paying taxes in town. They are not allowed to live in those facilities year-round. Why should they pay a full year's tax on that facility? They feel it's unfair. In many cases, except for the need to pay municipal taxes that go toward providing facilities — because at least in this case the municipality does do some things with the parks department to provide services to the cottages in the area. I think there is a better case for municipal taxation in the area than there often is for school taxation.

I guess another concern is that if you camp or have a trailer and use recreational property, in many ways you have the best of both worlds, because you don't have to pay taxes on the spot that you use. You pay a user fee of \$4, and I think some hon. members in their debate outlined what portion of the cost that was. When you look at the rate paid for the use of camping stalls, I don't think it's a great portion of the cost of operating a provincial park.

As a policy of government, the remainder of the operational cost has been from the general revenue of the province through the budget that is accepted by this Legislature.

I wonder what the outcry would be if we started sticking property tax on those. A lot of people would say a lot of things, because the cost would increase and we might be prone to do things. But in this case, because of a limited number of people as a percentage of the population per se, I think we sometimes let things ride because we don't hear from that many people. We say that it may not be a big problem, so we'll think about it later and maybe do something later. That may be okay if we're going to look at the whole taxation system.

I've said before, both inside and outside this Assembly, and I say again: this system of taxation, or what we use as taxation now, contrary to what some people say, is not on one's ability to pay. If you have a house that's assessed at a certain rate of taxation, it doesn't have any relation to your ability to pay or not. It comes out of the book; that's the rate you pay on the house. And if you want to make that house a little nicer and put a coat of paint on it, right away you're taxed more. In my opinion, it's a retrogressive tax; the more you put into your home or your business, the more taxes you pay. Perhaps we should look at it and have a set level. If you improve it, it either remains the same or there's a reduction on it. That would encourage people to improve their house or facility, and later they would have pride in it and the town or village or wherever it was would be much better for it.

Mr. Speaker, I've outlined some of my concerns with the problem outlined in the motion. I think that the percentage of the income to school divisions from taxes would in most cases be — the hon. Member for Athabasca-Lac La Biche noted that he has a lot of these cottage developments in his area and it would make a large difference in his area. I don't really think it would make a big difference in the total overall tax dollars in very many municipalities. Granted, it would make some difference; every dollar is some difference. But on a total school budget in a municipality, I don't think it would make a great deal of difference throughout the province, with the exception of some areas.

Another example concerns not exactly school taxes on summer cottages but on government facilities in provincial parks. The minute the government is running a facility or has a building, they don't pay tax. In provincial parks they don't pay tax in lieu of, but the minute you lease that space out to a private operator, bingo, he starts to pay tax as if the building were his. We know that a private operator would put up a building to provide a service and that would be the extent of his building. I don't think you would see many private developers or private operators that would lease a space and put the amount of money into a building that the provincial government does in a provincial park. I use as a prime example in my constituency the concessions in Cypress park at Elkwater townsite. I know that an individual wouldn't build a restaurant and a store to that extent and then have to pay tax on it. That's another problem closely associated with this.

My understanding of taxation on summer cottages is that the lot is owned by the person who has the cottage. In other areas where they receive taxation, the lot is leased from the government by the person. I think there is a definite distinction there, Mr. Speaker, that could also be looked at. If we pass this motion, I think that's something that would precipitate. People would quickly review the situation and we could come to some sort of agreement on it.

Mr. Speaker, I think that about covers the comments I would like to make, and I would like to hear others speak on the subject too.

MR. ALGER: Mr. Speaker, I would also like to participate in this debate on Motion 207, which recommends the elimination of school taxes on summer cottages. Can you imagine that?

The issue of property taxation in one context or another has come before this Assembly many times over the years. I know. I have participated in some of these debates, and no doubt I will rise to speak on this issue again and again in the future. I guess paying the tax man makes for a great deal of discussion with a lot of difference in opinion.

In previous debates on property taxation I have always been of the opinion that the tax burden for municipal services should be distributed equally and fairly among property owners, whether they be acreage owners, farmers, urban dwellers, or summer cottage owners. I believe, Mr. Speaker, that this motion on property taxation has to be acknowledged and taken into consideration when we are debating the issue of summer cottage owners paying school taxes even when they are not using these services. I think it is also important to note that the whole concept of property taxation is based on the principle that the wealth be shared and the burden be spread so that as many special services as possible be provided to all members of the community.

Property taxes help to pay for a number of services to a municipality: road maintenance, snow removal, garbage collection, the provision of various community and recreational services, and the list goes on. Education is but one component of what our property taxes pay for. I like to think that when we pay our property taxes, Mr. Speaker, we are putting our money into one big pot so that collectively we can provide for a wide range of services which individually we could not afford.

On the other hand, the motion introduced today indirectly supports a system of paying for services by way of user fees; that is, you pay for what you use and I pay for what I use. After all, by exempting one group — that is, summer cottage owners — from paying a portion of their property taxes, I think you have to be able to exempt other groups from paying a portion of their property taxes for the services they don't use.

Mr. Speaker, I cannot support such a motion. If we start assessing property owners simply on the services they use, which I believe is what is essentially being argued here, then we not only forfeit the whole concept of property taxation but, in the long run, we open ourselves up to a whole new crop of problems. One which comes to mind is the administrative nightmare that would ensue by having such a system. A user-fee system would require that separate calculations be carried out for the particular services utilized by the individual taxpayers.

Using the school taxes as an example, we would be looking at making separate calculations based on the number of children attending school. There would have to be a special calculation for those taxpayers who have no children and for those whose children have grown up and no longer need to attend school. There would also have to be an exemption for the treaty Indians whose education is funded by the federal government. An exemption would also have to be made for business and industry, who obviously do not require these services. The possibilities are endless. Ironically, I would be willing to bet that this kind of system would probably result in higher costs and fewer services.

In consideration of these points I've just made, Mr. Speaker, I cannot support Motion 207. I believe that we cannot start excluding certain groups from paying for particular services paid for through property taxes just because they don't use the service. What I do believe, though, is that we must work toward making the method of property taxation in this province a more equitable one which ensures that everyone pays their fair share.

Good afternoon, Mr. Speaker.

MR. CLEGG: Mr. Speaker, I rise this afternoon to bring out some points. I know a lot of them were brought out earlier, and on some points I agree with the hon. member to the right. I rise today because I've been involved with assessment and taxation for the last 19 years. In fact, 19 years ago at the AAMDC convention a person from the south, Les Miller, Dallas Smith, and myself were in a debate on part of what we're talking to today, which lasted two hours.

We talk about fair and proportional tax and assessment. When we take summer villages and say that we're going to exempt them from education costs, we can't do that without taking a firm look at all parts of assessment and taxation. I know that summer villages are a very small part of the all-round assessment in any given municipality in this province, but if we take that small portion away, we get another sector that says, "Well, if summer villages can be removed from education costs, then why can't we get farmland or nonfarmland," and it just goes on and on. Taking that out just wouldn't work unless we change all the assessment policies, when in fact the assessment policies of this province are very good. There are some changes to be made which hopefully will be made in the years ahead. I better check my notes here.

I also had the privilege of sitting on the equalized assessment board for a year and a half. We only met about three times a year, so I guess I can excuse myself for not knowing everything about equalized assessment, but I'm not too sure if everybody here realizes that the summer villages did get some exemption from taxes from the overall requisition. I think it has disappeared in the last six months, but certainly they were getting a break in that end. It wasn't a large one, but I think it was in the neighbourhood of...

MR. SPEAKER: I hesitate to interrupt the hon. Member for Dunvegan, but the time limit for consideration of this item has concluded.

head: PUBLIC BILLS AND ORDERS
OTHER THAN
GOVERNMENT BILLS AND ORDERS
(Second Reading)

Bill 206
An Act to Amend the Labour Relations Act

MR. STRONG: I'm a little disappointed. All my colleagues are going to miss my debut.

Mr. Speaker, I have the honour and privilege to present Bill 206, an Act to Amend the Labour Relations Act, for second reading. The primary purpose of this amendment is to create a balance within the Labour Relations Act for employees and an employer in a collective bargaining environment by, firstly, ensuring public peace and, secondly,

by balancing the economic effect of a work stoppage between the parties to such a work stoppage.

The purpose of the Labour Relations Act in any jurisdiction is to conduct and encourage the parties to a collective agreement to meaningful collective bargaining resulting in the resolution of a dispute. Currently and during the last two to three years, Mr. Speaker, fair and meaningful collective bargaining has not been possible in all sectors of Alberta's economy due to the ability of the unscrupulous employer to take advantage of the massive unemployment Albertans are currently faced with. With this massive unemployment and economic unrest, a new stratum of Albertans is being created in this province. These Albertans are desperate, economically disadvantaged, and vulnerable. They are vulnerable to abuse, Mr. Speaker. They are vulnerable to manipulation. They are virtual economic slaves in our society. They are especially vulnerable to being utilized as tools to interfere in the collective bargaining process. These unfortunate, financially distressed, and desperate Albertans are compelled by circumstance to become strikebreakers.

Does it come as any surprise that Gainers Inc. is recruiting these economic unfortunates from single men's hostels in Alberta and elsewhere? Is it any surprise that these desperate Albertans in the main come from among the disadvantaged and desperate in our society, our youth? Is this the heritage the government intends to leave for the youth of Alberta? This is not the opportunity I wish to leave for my children, Mr. Speaker, nor is it the policy of the Official Opposition to condone this flagrant abuse of Alberta's youth and disadvantaged due to an imbalance created by poor labour legislation which allows this abuse by the privileged few.

Collective bargaining must be finely balanced if it is going to be successful. It must weigh two competing interests: the economic might of an employer against the collective action of his employees. It is obvious to the majority of Albertans that the scales are weighted against all working Albertans, be they union members or not. The economic sanction is the ultimate step in a labour dispute and should not be taken lightly by either party.

In order for a union to strike, it must first conduct a government-supervised strike vote and receive the consent of the majority. In order for a union to strike, it must have the consensus of all affected employees in that bargaining unit, and that consensus must be a vast majority of those individuals. This is an example of the true democratic process, Mr. Speaker. Once those employees have made their choice, the choice is for economic and severe hardship.

On the other hand, a lockout in these economic times is a licence given to the employer to ignore the wishes of his employees and to secure an economic advantage through hardship and economic loss. These people that suffer this economic loss are being taken advantage of through the use of the desperate in our society. The strikebreaker is no more than an economic tool used against employees to deny those rights granted under the Labour Relations Act. The strikebreaker nullifies collective bargaining, as it eliminates the necessity for an employer to bargain in good faith with his employees.

We as Canadians and Albertans take for granted the historic and hard-won rights that were intended by legislation within a free and democratic society: freedom of association, freedom of speech, freedom to collectively bargain, the right to belong to a union, and the right to strike. Were these rights and freedoms intended to be easily discarded when they became inconvenient to an employer? Many labour statutes contain a statement of purpose and clearly

define these rights and freedoms as to the traditional view of society.

These proposed statements are not neutral, Mr. Speaker, but rather affirm the positive commitment to free collective bargaining and the rights granted to each member of a free society. We expect no less as Canadians, and we demand no less as Albertans. We in the New Democratic Official Opposition firmly believe that every Albertan has a right to fair employment as well as an equal opportunity of employment. But where individuals collectively choose to choose a collective bargaining agent to voluntarily represent them as a certified collective bargaining agent, these rights should not be interfered with or tampered with.

Mr. Speaker, this creates an imbalance that must be addressed by this Assembly. Labour relations is a delicate balance that must not only be perceived as being fair but must, by its action and operation, be fair. If a work stoppage creates economic hardship, it must be shared and shared equally. The proposed amendments itemized in Bill 206 must be addressed. The hon. Minister of Labour has gone on record as supporting the rights of the employees at Gainers Inc. to return to their previous employment when this work stoppage is ended. We in the Official Opposition congratulate him for this statement and his stance in this matter. In addition to that, in the disputes inquiry board decision that was just tabled in this Assembly, that statement is confirmed by Mr. Alex Dubensky, who chaired that disputes inquiry board. He says:

It would be our suggestion to the Minister of Labour that serious consideration be given to examining the Labour Act particularly in the area of replacement employees. Since there are several options we will not specifically suggest any one.

Mr. Speaker, proposed section 81.1 in Bill 206 enshrines that statement in legislation and guarantees that right. Proposed section 112.1 forbids the use of strikebreakers during a work stoppage. Proposed section 112.2 provides that during a work stoppage, an employer may take all necessary and any necessary measures to avoid imminent danger to persons or the destruction or serious deterioration of his property and equipment.

Mr. Speaker, I urge all members of this Assembly, regardless of party affiliation, to support this Bill. Firstly, it is fair and, secondly, the alternative, that being the status quo, places the public at serious jeopardy and risk. Simply put, we as a province cannot afford to provoke or condone violence on the picket line. Where there can be no strikebreakers, picket line violence does not exist.

The last three months have demonstrated to all Albertans the new depths to which labour relations in this province have sunk. Mr. Speaker, this hasn't happened overnight. During the last three years, this government encouraged, by legislation and proposed legislation such as the ill-conceived Bill 110 in the construction industry, the employer's right to unilaterally disregard collective agreements and the collective bargaining process. The advent of the 24-hour lockout for the unilateral changing of terms and conditions of employment, coupled with the ease of obtaining injunctions, makes the use of the strikebreaker inevitable.

Mr. Speaker, how would you or any of the members of this Assembly feel if as faithful, loyal, sincere employees, and an employee of 26 years service, your employer decided to unilaterally replace you with a strikebreaker to whom that employer was willing to pay more? Mr. Speaker, in St. Albert there are a number of Gainers Inc. employees, and this is now reality to them. These hardworking, honest,

loyal employees are frustrated, bitter, and unable to accept that this could happen to them in 1986 in Alberta. Are we as Albertans watching reruns of 1930s reels, when men and women were forced by financial necessity to work during the Depression for a nickel an hour for up to 16 hours a day, without any choice, due to total economic hardship?

The emotional stress created by this feeling of abandonment, bitterness, frustration, and disbelief is evident every night on your television sets. The only thing that astonishes Albertans and makes this so remarkable, Mr. Speaker, is that these media events are not taking place in South Africa, Poland, Chile, or the Philippines but rather in Red Deer, Fort McMurray, Slave Lake, and no more than two miles from this Legislative Assembly. These events have disgraced Alberta both nationally and internationally.

Mr. Speaker, how many members in this Assembly knew of Edmonton's riot squad? How many members of that riot squad expected to be used against their neighbours? I have no doubt these dedicated police officers, who swore an oath to uphold the law, expected their expertise would be directed toward criminals, thugs, rapists, and murderers, not the guy next door, not the Brownie leader, not a minister, and not a union member who supports the United Way through payroll deductions. These police officers have been accused of being Pocklington's Pinkerton's. I cannot believe the police officers in this province, funded by our taxes, are being mobilized against hardworking, honest, and sincere Albertans. That isn't only repugnant to me; it's repugnant to a lot of those peace officers. Nor can I believe their mandate is a labour relations one, allowing an individual to break a union, because breaking a union is an attack on all working Albertans, and it's also an attack on their standard of living.

This argument, Mr. Speaker, is not an argument between union and nonunion but an argument over what the living standard and wages are going to be for working Albertans in this province in 1986, 1987, and 1990. This situation isn't any different when it applies to the RCMP in the province of Alberta. The spectacle of hundreds of Albertans being arrested in the province of Alberta ignores their right to exercise their traditional rights and freedoms. It's a disgrace. These hardworking, sincere Albertans are not criminals. The closest they've come to the courts is to pay a parking ticket or answer a summons for jury duty. In maintaining the status quo, does this Progressive Conservative government realize they are pitting the employed against the unemployed, the police against their neighbours, fathers against sons, mothers against daughters, brothers against brothers, and friend against friend? This lack of leadership cannot be tolerated, because it's tearing at the very existence of our society.

Mr. Speaker, in my working life in Alberta I can't recall the use of strikebreakers to lower the standard of somebody employed at \$7 an hour. Can anyone in this Assembly raise a family in dignity on \$7 an hour when you're already below the poverty line? It's obvious that this aspect of labour legislation is wrong, as it creates civil disobedience and violence. It's essential in Alberta's Assembly that we as legislators remove these incitements to violence in our Labour Relations Act and restore meaningful, free collective bargaining in the province of Alberta with no interference from strikebreakers.

Mr. Speaker, this Bill to amend the Labour Relations Act is patterned after legislation from a sister province, where civil disobedience and violence existed when strikebreakers were utilized to compel honest and hardworking

individuals to accept substandard and unsafe terms of employment over which they had no control. By legislating an end to the strikebreaker or the opportunity of an employer to hire a strikebreaker, civil disobedience and violence on legal picket lines will be ended. Mr. Speaker, I would suggest to all hon. members of this Assembly that in order to give full meaning to the definition of the word "lockout" as it is now found in the existing Labour Relations Act, this amendment must be approved. If the existing definition of lockout is to have any meaning, then an employer must not be allowed to hire strikebreakers, thereby avoiding the consequences of his economic action.

Mr. Speaker, we as Albertans must eliminate all methods and manner of circumventing the free collective bargaining process if the Labour Relations Act is to mean anything in the province of Alberta. Although this Bill offers only a partial solution to a particular abuse, it is clear that the people of Alberta recognize the labour legislation in this province demands reform and an immediate review.

When is this government going to address the concerns of the thousands of Albertans that gathered on the steps of the Legislature on June 12, 1986? What were these Albertans seeking? What concerns did these Albertans express? I can tell this Assembly that they were not seeking preferential treatment, they weren't seeking an unfair advantage, and they weren't seeking sympathy. In addition to that, they weren't asking for social assistance, which is one of the few growth industries in the province of Alberta today. Under the labour legislation in the province of Alberta, they were demanding that this government give them fair and equal treatment under the law. They were demanding reasonable labour legislation, of which Bill 206 is only a small part. They were demanding that this government take the necessary steps to immediately correct all areas of flagrant abuse by employers of Alberta's labour legislation.

Mr. Speaker, these Albertans were not only union members but Albertans who believe in justice, fair play, human dignity, and above all that 2.3 million Albertans in this province cannot and will not accept the premise that working Albertans have no rights when these rights are denied the majority in the interests of an employer's greed.

In closing, Mr. Speaker, the members of this Legislative Assembly have a decision to make. They can opt for the status quo, thereby denying Albertans the rights guaranteed by law. But in doing so, they must also accept the responsibility for escalating civil disobedience. Or they can opt for reform, thereby recognizing the wishes of the vast majority of Albertans in our society, by restoring a small measure of social justice. I would also urge all hon. members, through you, Mr. Speaker, to not be blinded by any party affiliation but to address the concerns and wishes of those working Albertans.

Thank you, Mr. Speaker.

MR. STEWART: Mr. Speaker, I would like to speak against this Bill. I am a supporter of labour relations legislation in the fullest sense, but I believe this particular Bill is not appropriate for a number of reasons. I think Bill 206 must be assessed from a number of angles. Firstly, we must look at the purpose of labour legislation and the Labour Relations Act itself. Secondly, I think we must examine the existing situation with respect to our labour force in Alberta. Thirdly, I think we must examine the fundamental changes that are occurring within our economy and which impact upon the labour relations scene. Fourthly and most importantly, we must examine the proposed amendments in this Bill.

Firstly, Mr. Speaker, with respect to the purpose of labour relations legislation and the Act itself, surely the purpose of the Labour Relations Act is to govern the relationship of employers and certified bargaining units of employees with the object of providing a legislative environment in which collective bargaining can take place in a balanced and fair manner without favour to either the employer or the union. The Act obviously as well governs the relationship, upon the termination of a collective agreement, in order to provide a basis which encourages a resolution of the issues leading to a new agreement and at the same time discourages practices that would derogate from that goal.

Therefore, it is perhaps appropriate within the context of our consideration of Bill 206 to look at what the Labour Relations Act should not be and should not do. Firstly, I would suggest that it should not direct itself to the particular circumstances of a given labour dispute. Rather, it should direct itself to governing a relationship between the parties in a general manner, taking into account the fact that it must have equal application to a variety of industries, service employers, and indeed public institutions and their respective unionized employees. It must also take into account the fact that its provisions will have to apply equally to a variety of regional areas with regional economic differences.

Secondly, I would suggest that the Labour Relations Act cannot deal restrictively with one set of economic conditions as they may exist at a given point in time. The legislation must fairly and equitably govern the relationship in both good times and bad, and it must therefore be flexible enough in its general application to take that into account.

Thirdly, Mr. Speaker, I would suggest that the Labour Relations Act must not give a leg up to either the employer or the unionized employees. The basic principle of labour relations is that of balance, a balance of the risk of loss of production to the employer and the risk of loss of pay to the employee.

Fourthly, the Labour Relations Act must not be such as to encourage strikes or lockouts but rather to encourage the parties themselves to negotiate in good faith through a collective bargaining procedure and without undue interference by government or any other third party.

Secondly, Mr. Speaker, I believe we should look at the existing situation of our labour force in Alberta today. Of our nonagricultural labour force, 298,070 employees or 31.9 percent are members of organized unions in Alberta. Therefore, 68.1 percent choose not to be so organized and rely upon the Employment Standards Act for protection of their employee rights. Of the 31.9 percent who are organized union members, 66 percent are employees of public employers, as it were, and 34 percent are employees of private employers. This is important because while some of those employers should be able to carry on business during the course of a strike, others would not, regardless of the provisions which may allow or disallow temporary employees during any period of a strike. Public employers, and indeed many private employers, are not likely to be able to substitute temporary employees in any event. So we are dealing with a proposal that would in any event affect only a fraction of the situations.

Secondly, I don't believe the Act should ever become a lever to promote the organizing of employees for purposes of certification as a bargaining unit. I would suggest that this is precisely what would happen if the Act were to be amended as proposed by this Bill. There is a host of learned commentary in the area of labour relations which reinforces

the principles of neutrality of the legislation so that it does not favour one or the other and thus provides a balance of bargaining strength.

Mr. Speaker, I believe it is also critical to assess the fundamental changes occurring in our economy as they relate to the proposals before us today. There are several factors which are influencing attitudes towards labour relations on the part of employers and labour unions. Of course, there are attitudes of the public generally, which impact on this situation as well. I'd just like to briefly mention a few of these. Firstly, there are substantial changes in technology, which alter the way goods are produced and services performed. This is progress, and the manufacture of buggy whips is no more. There must be sufficient flexibility built into any labour relations legislation to allow such progress to take place yet preserve the protection and the rights of both employer and employee.

Secondly, we are no longer an island to ourselves, and world markets and exports have taken on a new significance in our economy. We must compete, and there is a growing awareness that to do so effectively will require all of our costs of production, including labour, to be reasonable in the circumstances. If we do not, then there will be more unemployment.

Thirdly, I also sense an attitude of the public at large that the people of Alberta want to see labour disputes settled on a co-operative and consultative basis, rather than through the tactics of confrontation and violence. Therefore, our Labour Relations Act must, through its provisions, establish the type of environment which encourages the former and discourages the latter.

Fourthly, I also sense an attitude of the public against government involvement in the collective bargaining process, Mr. Speaker. Again, any labour relations provisions which we, may consider should achieve that balance of bargaining strength. If either party is at a disadvantage, it will be the first to call upon government intervention. Therefore, we must be cautious to ensure that the balance of bargaining strength is maintained.

Finally, I sense as well that there are many different and new approaches in the area of labour relations. In many instances we have seen employers and employees working together through profit-sharing plans and other incentives to ensure full co-operation and common goals. Surely that is something to encourage.

Now to turn to the provisions of Bill 206. As I mentioned, Mr. Speaker, I cannot support this Bill. Having regard to all of the general principles I have discussed, I believe the amendments proposed in this Bill are contrary to those principles and are not in the interests of either the employers or unionized employees. In addition, I do not feel the proposed changes are in step with current economic circumstances or the views of Albertans generally. Furthermore, I would say that a one-hour debate is hardly appropriate consideration of the very significant ramifications which would flow from any such amendments being adopted.

One cannot help but feel that the Bill is prompted at this particular time as part of a strategy to apply to particular labour disputes which currently exist. I do not feel that constitutes a responsible legislative process. As all members are aware, this government is committed to a responsible review of the Labour Relations Act. The review will be fully consultative. It will take into account the entire spectrum of labour relations. It will receive thoughtful input from all sectors, and it strikes me that that is far more appropriate than any piecemeal amendment to the Act. Any such amend-

ment must take into account the overall picture, since the impact of such an amendment may have unwanted consequences upon other provisions of the legislation. I believe the review the minister has proposed is a recognition that things are indeed changing out there. It is a commitment of this government to ensure that its legislation responds to those changing circumstances.

Two basic amendments are proposed by this Bill, Mr. Speaker; firstly, a legislative guarantee that all workers who are members of a bargaining unit prior to a strike or lockout will be reinstated after the strike or lockout has ended. Much has been made by members of the New Democratic Party about labour legislation in this province, implying that this particular matter is not addressed in our current legislation. This is of course not true, as the current legislation clearly provides that a refusal on the part of the employer to employ or continue to employ a person who has participated in a legal strike is an unfair practice, leaving that employer open to the sanctions provided by the Act. In other words, while the Act does not expressly state that striking employees must be reinstated, section 137 provides for a basis upon which the failure of an employer to do so can constitute an unfair labour practice. This provides the added benefit that both parties can exercise their democratic right of appeal, and a decision can be effected in a much shorter period of time.

It is my understanding that this parallels that of all other provinces in Canada with the exception of Manitoba, Ontario, and Quebec. I suggest that while those provinces deal with the matter of reinstatement in a different manner, all provinces, including Alberta, properly address the rights of the worker who has participated in a legal strike and desires to be reinstated.

The second proposal being made by the sponsor of this Bill, Mr. Speaker, is to prohibit employers from replacing striking or locked-out employees with other workers, except management personnel, who are already employed prior to the work stoppage. There is no doubt that this particular amendment would significantly alter the balance of bargaining strength that is traditional and essential to labour relations legislation.

If the sponsor of this Bill intended balance, where is the comparable proposal that would provide that employees are not permitted to seek other employment during a strike or lockout? Where is the proposal by the sponsor to provide that strikers may not receive strike pay? Where is the proposal from the sponsor that states that nonemployees, even professional picketers, may not participate on the picket lines? It seems to me, Mr. Speaker, that the proposals before us today are totally one-sided and far removed from the principles of fairness and equity. The balance of bargaining strength, as mentioned before, is the very essence of labour relations legislation. If the employer is to be denied the possibility of continuing operations with temporary employees and maintaining some cash flow, then I would think the sponsor of this Bill would have suggested that the employees should likewise be denied the possibility of personal cash flow. However, Bill 206 is totally silent in this regard.

Unfortunately, Bill 206 appears to be totally directed to current disputes. Our Labour Relations Act must have equal and effective application to all potential disputes, many of which, as mentioned before, are with employers where the hiring of even temporary workers is just not feasible. It will apply as well to many situations in which the shutting down of one part of an employer's operation indirectly shuts

down other operations of that employer which are not covered by a particular bargaining unit.

In other cases there is indirect adverse effect upon employees of other companies, otherwise totally removed from the situation. While some may consider the domino effect fair game and part of the bargaining strength of the union, there are many workers and their families who want to and have the right to work but find themselves totally caught up in a situation not of their own doing.

Mr. Speaker, jobs and employment are also very much on our minds these days and on the minds of many workers who want work to put bread on the table but are unable to find employment. Recent disputes have indicated just how far these persons will go to seek employment and earn a living. In many instances they have risked injury just to have the opportunity of putting in an honest day's work for an honest day's pay. [interjections from the galleries]

SERGEANT-AT-ARMS: Order!

MR. STEWART: I don't think the timing of this particular provision is appropriate in view of the economic situation today.

Mr. Speaker, Manitoba legislation has often been held up by certain members of this Assembly as the be-all and end-all. Isn't it interesting that not even Manitoba prevents the hiring of temporary employees during the period of a legal strike? The sponsor of the Bill had to take his reference from another province, not the NDP province. Obviously, even the government of Manitoba recognizes the imbalance that would be created with the type of provisions that are placed before us today.

Labour unions today are making every effort to increase their membership and become more effective in the bargaining process. Giving labour unions a leg up in the legislation itself and thereby substantially altering the balance, a bargaining power is not an appropriate way to accomplish increased membership and more effective bargaining.

As mentioned earlier, nearly 62 percent of the labour force of this province apparently do not even wish to be organized for collective bargaining purposes. Many of those that are desperately want disputes to be settled orderly and quickly. They rely upon the legislation of this province to encourage fair and equitable settlements without interference or undue advantages being given to either one side or the other. There are many of us that feel that if a man or a woman has a job and wants to work, he or she should have the right to do so.

Finally, Mr. Speaker, I think this province has indeed been fortunate in its labour relations over the years, and this is a credit to both employers and unions and the employees themselves. The legislation has worked well in creating the type of environment that I have described as being so essential to the process. Settlements have been reached without interference by government. There is a basic belief by this government that collective bargaining will work within the confines of fair and equitable legislation as an environment.

The myth that is being perpetrated by certain members that our legislation is unlike any other province's in its discrimination against workers is just that: a myth. However, our legislation must always be responsive to changing circumstances, and it must constantly be reviewed to ensure that the principles I have mentioned are maintained.

Therefore, Mr. Speaker, I look forward to the review of our labour legislation which is forthcoming. I trust that the same principles will govern any future proposals for change, and I therefore urge members to defeat this Bill.

MR. SIGURDSON: Mr. Speaker, let me start by offering my congratulations to the Member for Calgary North Hill for his calm participation in this debate. When we talk about proposed amendments to labour legislation in this House, it's quite refreshing to see that we don't have some of the more right-wing elements of the governing party frothing at the mouth and going on about attacking workers.

We, too, on this side of the House look forward to participating in the proposed labour legislation whenever it may come. Given the nature of the current labour legislation, Mr. Speaker, I would suggest that it may come at a time when some other company is being struck. So let's not worry about introducing amendments to labour legislation now in this session just because we have a number of strikes.

The previous speaker noted that the labour law in Manitoba is different. Quite so. The labour law does not allow for replacement workers. However, there are other provisions in the Act which make the labour laws far more equitable than the kind of nonsense we have in this province that governs collective agreements here.

Let's look at Quebec, where they have some very competent and decent legislation that was introduced in 1978. Prior to that labour legislation introduced in that province in that year, the previous three years saw 8.7 million days lost due to work stoppages of an industrial dispute. When the government of Quebec introduced that Bill, there was a decided improvement. Between 1978 and 1981 there was a dramatic decrease, a 20 percent decrease, Mr. Speaker. I will admit that in the year immediately following the introduction of that amendment, work stoppages increased by 34 percent, but every year thereafter the lost days due to industrial disputes have fallen.

In 1984, the last year we have a record of industrial disputes in the province of Quebec, the number of days lost due to industrial disputes was down over 50 percent from the figure of 1978. That's the kind of legislation we want to see in this province so that we're not losing so many days at this time.

But what's happening in Alberta? What's happening in the same period in our province? The reverse has happened. In 1978 we lost 60,000 person-days due to industrial disputes. What about 1984, the same year we have records for? We have jumped from 60,000 person-days lost in 1978 to 538,000 person-days lost in 1984, an increase of 900 percent. That's the record of this government in labour legislation. It's something to be ashamed of.

The withdrawal of labour by any worker is never taken lightly. When you agree to go out on strike, for whatever the reason — if it's increase in wages, working conditions, or benefits — you know that for every day you're out on the picket line trying to get what you may think is rightfully your due, you're going to lose something. You're going to have to deal with the fact that you're not going to have an income to make the mortgage payments, to pay rent, to make the car payments, or perhaps to put food on your table and clothes on your back. It's a very important consideration that every worker who casts a ballot in favour of or opposed to striking must make.

We on this side feel there ought to be equal costs paid by both sides, because negotiations have broken down from

both sides. Surely to goodness if one side suffers economically, so too should the other. But what about capital withdrawal? We don't seem to worry that money might be withdrawn. It's not looked upon in the same context. The withdrawal of labour is something incredibly negative, because we get to see all the people on the picket line trying to prevent the loss of their jobs when the scabs cross that picket line. There may be some violence, and that has a very negative impact.

But what about economic withdrawal? What about when money leaves the province? We don't see that on television. We don't see one dollar bills floating down to the United States or to Saskatchewan. But we have economic withdrawal quite frequently.

Today's tabled report notes that a number of concessions were made. If I may quote from the report, it says:

The reduction of the starting rate from \$11.99 [per hour at Gainers] to \$7.00 as well as the withdrawal of all benefits would ultimately affect about 300 employees and approximately 700 employees gave up only vision care ...

The report goes on to say

that the concessions given by the Union were a major factor in the Company's fortunes being turned around.

But where did the money go? It went down to St. Louis, Missouri, where another packing plant is going on. It went down to California, where workers are again being asked to take an outrageous cut in wages. And God knows it's going east to North Battleford, where another plant is going up. That money didn't stay in Alberta. That money didn't stay in the pockets of the workers to be spent in Alberta stores and to be spent on services to be provided by Albertans. That money left.

AN HON. MEMBER: Tory business.

MR. SIGURDSON: Tory business, you bet. You know, it's amazing to see something like this, to see money float away out of our province and not reinvested here. We can look at investments in other provinces. Sure, that's well and good, but what about the people that made the concessions two years ago? What about their demands, that having contributed to the profit and the economic turnaround, now it's time that a fair employer would turn around and say: "Yes, thank you very much. You helped me out. Here's what you're due, and let's negotiate for the next increase." That has not happened here. My goodness, legislation like we proposed would certainly go a long way to seeing a responsible sitting down at the negotiating table between the employer and the employees to get the struck company back.

We don't have that situation right now, Mr. Speaker. What do we have? We have labour legislation in this province that allows for the company to continue its operation while workers are out on the street suffering the economic consequences, but the ones they chose to take. We don't have any fairness in the law, because while profits continue to be made, the workers that have given service — some as many as 35 years, when I've gone out and talked with them. Their concessions and hopes are going down the drain.

It's important to have a piece of legislation like this in our province right now. This legislation would limit the amount of work that would go on inside the structure. Clearly, if management could run it, bless them; go ahead and do it. I'm sure Peter Pocklington would not want to

lose too many fingers before he would negotiate at a table and bring his workers back. But we don't have this, so we have continued confrontations. It's not a very good situation for people who have given long service to daily watch the buses cross their picket lines with replacement workers taking jobs.

Mr. Speaker, I'm pleased to support Bill 206, because I think it's going to bring dignity back to the bargaining table and to the collective bargaining process. I think we should all think very carefully about what we're doing. This is a good piece of legislation. We ought to be supporting it, and I look forward to further debate when we see future amendments coming from the minister.

MR. CHERRY: Mr. Speaker, I rise today to make a few brief comments on Bill 206, which proposes several amendments to Alberta's Labour Relations Act. While I support people's legal right to dispute a contract, I believe at the same time that if workers go on strike, if they have chosen to take that action, they must take responsibility to assume the risk inherent in such an action.

The law must reflect a balance between labour and management. The current laws reflect that balance. It is a balance which demands the most careful consideration by both management and labour before drastic measures are taken.

MR. STRONG: We just want some leadership.

MR. CHERRY: I didn't speak when you were speaking.

MR. STRONG: Feel free next time.

MR. CHERRY: The risk of job loss every striker faces by their action is part of that balance, Mr. Speaker. As labour relations laws now stand, it encourages both sides of any labour dispute to try all other resources before a work stoppage.

I am deeply concerned by the proposed amendment to prohibit replacement workers. Such a law would have damaging effects on businesses and Alberta's economy in the long run. I believe workers should not have the ability to shut down their employer's business. Such an amendment would change the situation of shared risk by management and worker in any strike situation to one where all the risks fall on the company. I believe that as an employer, one thing the employee sometimes forgets is that he goes home at 5 o'clock at night while the employer sits many extra hours wondering where the extra dollars are going to come from. That's one example.

Mr. Speaker, laws do exist to protect labour. Legislation does exist to deal with employers' unfair labour practices. However, if the economic situation makes sufficient replacement work available for months at a time, then a union is making unrealistic demands, and prohibiting replacement workers is again penalizing the employer.

MR. SPEAKER: I wonder if the hon. member would care to adjourn the debate.

MR. CHERRY: Mr. Speaker, I move to adjourn debate.

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

HON. MEMBERS: Aye.

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

MR. HORSMAN: Mr. Speaker, this evening it is proposed to deal in Committee of Supply with the estimates of the Executive Council. I advise members as well that tomorrow morning it is proposed to deal in Committee of Supply with the ministry of Forestry, Lands and Wildlife.

I would move, Mr. Speaker, that when the members reassemble this evening, they do so in Committee of Supply and that the Assembly stand adjourned until such time as the Committee of Supply rises and reports.

MR. SPEAKER: Having heard the motion by the hon. Deputy Government House Leader that when the members reconvene at 8 p.m. they will be in Committee of Supply, does the Assembly agree?

HON. MEMBERS: Agreed.

[The House recessed at 5:30 p.m.]

[The Committee of Supply met at 8 p.m.]

head: COMMITTEE OF SUPPLY

[Mr. Gogo in the Chair]

MR. CHAIRMAN: Would the committee come to order, please.

Executive Council

MR. CHAIRMAN: Members of the committee, the business called by the Government House Leader is Executive Council, found on page 181 of the estimates book and page 65 of the elements book. There are several votes. On page 181, members of the committee can observe that various members of Executive Council, members of the Assembly, have specific responsibilities. The minister responsible is the hon. Premier.

Mr. Premier, would you care to make some opening comments with regard to tonight's estimates?

MR. GETTY: Not very long, Mr. Chairman, except to say to hon. members that each of the ministers responsible for various responsibilities as listed here are in the House tonight, except the Minister of Municipal Affairs who is at a federal/provincial housing meeting and unable to be with us today. If there are any questions for him in his responsibility as minister responsible for the Public Service Employee Relations Board, I will pass the information on to him and get whatever is necessary.

Mr. Chairman, we'll try to accommodate the questions or comments in any way the committee would like. I'll try and answer them either after they've been put or after all of them. If there's an opportunity to answer, I certainly will try and do that.

The only other thing I would say, Mr. Chairman, is that I think members of the committee are familiar with the operating method of Executive Council. The Premier chairs the Executive Council. I also chair the priorities

committee of cabinet, the energy committee of cabinet, and the agriculture and rural economy committee of cabinet.

I'd welcome any questions or comments members might have, Mr. Chairman.

MR. CHAIRMAN: Thank you, Mr. Premier. The Leader of the Official Opposition, please.

MR. MARTIN: Mr. Chairman, perhaps just before we get started, I appreciate that the Premier said he would operate whichever way might be convenient. I have questions in a number of areas. Would it be better if we went into one area and came back? How would the Chair like to handle it?

MR. CHAIRMAN: I should put the question of whether we go vote by vote or view it as a debate to the sponsoring minister who is seeking approval of his estimates. The hon. Premier would make the decision as to whether he's prepared to have questions on all votes and have people respond or himself respond. I think that's left to the hon. Premier.

MR. GETTY: Mr. Chairman, to the hon. member. If he deals first with the general responsibilities of the Premier and the Executive Council, then I'll try to answer them as he or any other members of the opposition place them, if he'd like. Then as we go to the other votes, obviously it will be other ministers who will do it. Some of the ministers may well have opening comments they'll want to make, too, as we get to their special responsibilities.

MR. CHAIRMAN: Is that satisfactory, Mr. Leader?

MR. MARTIN: That's fine, Mr. Chairman. I want to make general comments, and I'm sure some other members will want to also. There are other areas. It's a time for the Premier and the opposition to spell out in more detail things that we've perhaps discussed in the Legislature. Although it's sometimes hard to go into detail in question period, I think this gives us some opportunity to look at things in more detail.

First of all, Mr. Chairman, I believe these are the first estimates the Premier has had as Premier, so we welcome him to another new experience.

I would like to say that I do not intend to make a long speech, but I want to get into certain areas and pinpoint some questions, if I may. I thought, and I suppose the Premier thought also, that we both know each other's particular stand on many issues through an election and a fair amount of debate in the Legislature, so I see no reason to go into our stands again. Obviously, he feels that their particular stand is the proper one, and we have different opinions about that. I would say though, Mr. Chairman, that we would hope tonight that none of us will be thin-skinned or see things through rose-coloured glasses, that we would have on all sides of the House a very serious discussion about whether the province — I think we could all agree with that.

It seems to us that we have to recognize there are very serious problems, and I'm referring economically. I want to go into four areas. How bad it is, I suppose, is some matter of discussion that we've had before, but I think we would all agree that we have to basically assess things the way they are if we're going to make any inroads in terms of dealing with those problems.

Mr. Chairman, we could go into diversification. I think all members of the House at this particular time would say that we need a more diversified economy. That's another debate. I believe somewhere down the line we can have the battle of white papers. We can have that serious debate. That has to be held. But if I may say so, I think there are more immediate problems we're going to have to deal with right at this particular time. I would say that the government — and the Premier hasn't been there all the time — has to take some responsibility for the fact that we do not have that diversified economy that we wish we had in 1986. It's not that the government has not been aware of the problem. I've quoted this before, but I think it's worth saying because the Premier was a member of the government. It has to do with the previous Premier, Mr. Lougheed. He laid out the problems rather well back in 1974. I quote his speech to the Calgary Chamber of Commerce:

Since entering public life over nine years ago, my theme has been that this province's economy is too vulnerable, it is too dependent upon the sale of depleting resources, particularly oil and natural gas for its continued prosperity. We have perhaps another decade left to diversify our economy to become less dependent. But we must be in a position to be less affected by external factors. If we fail to do so in my view we will leave the next generation in Alberta a sad legacy indeed — a lack of economic muscle to sustain our quality of life over the longer term.

Frankly, I despair of the short term thinking of a few Albertans who believe we can coast on the sale of our depleting resources for our continued prosperity ... relying upon the sale of unprocessed resources for its next generation's prosperity is folly in the extreme.

Mr. Chairman, this is the next generation. Unfortunately, I think we're paying the price for having that undiversified economy. As I say, I won't spend a great deal of time with that. It's perhaps ancient history; we have to deal with where we are now. But I would point out that we are more reliant; that's one of the reasons we are facing the problem. We are more reliant especially on our mining sector, particularly oil and gas, than we have ever been. I have the figures from mining as the provincial distribution of provincial gross domestic product from 1971 to '82. In 1971 it was 35.5 percent; 1977, 46.2 percent; 1982, 53.5 percent; 1983, 60.3 percent. So the Premier's predictions were right on. Unfortunately, I believe that in the late '70s we forgot about the need for diversification.

Mr. Chairman, there are four areas that I would like to cover and perhaps go into in more depth than we've been able to in question period. That obviously has to do with the oil and gas sector. I'd like to find some answers about free trade both in terms of the process and what's up for negotiations, a few questions in agriculture, and come back to get some idea about the labour laws and when we might be looking there.

First of all, Mr. Chairman, in the oil and gas sector the Premier is well aware, and I'm well aware of his stand, that we've been pushing a floor price and import quotas, recognizing that that has to be an agreement with the federal government. But I would say that it's not only us. As the Minister of Energy has indicated, not all of the oil industry speaks with the same tongue. I know that the CPA stand is very clear — as the minister has alluded to it, no floor price. However, there are many other smaller producers that are advocating a floor price. I'm not going to bore us

by quoting some of them. I have them here. I'm sure you are well aware of it.

The first question I have to ask dealing with the Western Accord is — to come back to it and for those of us who aren't aware of clause 9, that we signed, it says:

In the event of international oil market disturbances that result in sharp changes to crude oil prices, with potentially negative impacts on Canada, the Government of Canada, following consultations with provincial governments, will take appropriate measures to protect Canadian interests.

We've been pursuing this, I think, since January. I don't see any other way out, frankly. We will talk about the PGRT: agreed, it should be gone. No doubt about that. It was illegal when it was brought in. There may be other things we can do. I know the CPA is asking us to lower our royalty rates. I frankly think we can't do that, with our provincial revenues as high as they are. So when I try to go down it, Mr. Chairman, I don't see any alternatives other than dealing with price at a certain period of time. My question is — the Premier hasn't rejected it. He says it's low on the totem pole. I want to come back. When would we consider that this is the only method at a certain point? Is it months? Is it in terms of the price? When would we consider that we have to move to a floor price?

The other question I want to ask — although either gentlemen wasn't there at the particular time, this clause was put in for a particular reason. I fear it was the federal government wanting it in there in case, as was the case in the '70s, the price went up and there would be pressure on the federal government to move. I ask the Premier what assurances the government has that even if it did rebound at some particular time clause 9 wouldn't be invoked and we wouldn't get the world price anyhow. That's the point I've been trying to make, Mr. Chairman, that we may have deregulation when the prices are low and regulation again if the prices go up. If that's not the intent, I do not understand why clause 9 was in there to begin with, because I think it's a very important clause. That's why we've been pushing the idea of at least trying to negotiate a floor price. If we're going to get regulated at the upper end, we might as well get a floor price to protect our industry at this end. That's the question I would ask on that.

The other question I have — I believe the Premier said today that it's low on the totem pole. We all agree about PGRT, that it should go. What other options, especially for small producers — I'm frankly not worried about CPA because they are big enough that they can overcome this. Bigger companies can always take the fluctuations. They may be bigger and stronger than ever when they buy out a lot of the Canadian independents. What other options is the government considering? We talk about equity. We're not sure how that works. For all of us in the Assembly and for the people of Alberta, I wish we'd have a little better idea of some of the options the government is looking at. I know they haven't made the final decision, but at least give us some options.

The other thing I would ask, Mr. Chairman, dealing just with the oil sector, is that we have been told, whether it's right or wrong, but perhaps the Premier could update us on this — first of all, it's clear that CPA wants to get rid of the PGRT. They have also asked for lower royalty rates from the provincial government. I am told that at that point they wouldn't mind having a floor price. I wonder if the Premier could update us, if that's the sort of approach that's been taken.

To go into another area dealing with the oil and gas sector, Mr. Chairman, I'd like to take a look if we could at heavy oil and the tar sands. The Premier made it very clear when he was elected Premier that this was the type of initiative he would like to go into more. I tend to agree with him. I think Canada is foolish not to move ahead on some of these projects. I'm sure he's aware that during the election we suggested an equity vehicle that might get this rolling. I would ask if he has any comments about using a resource investment agency. We talked about kicking in seed equity from a revamped heritage trust fund. We call it Alberta Plus, but I don't care what you want to call it.

The idea was that large nonconventional projects such as the Lloydminster upgrader or Canstar could be backed through equity investment in joint ventures. We suggested that the strong credit rating of the provinces could be used to backstop a 25 percent equity/75 percent debt ratio for the public investments. It would take Canadian initiative — I'm well aware of that, Mr. Chairman — that the private sector plus the public sector be guaranteed a price which would ensure recovery of costs over time and provide a fixed rate of return on investment. This could be paid for by rolling in or blending the costs involved to the price of gasoline and other fuel across the country. There are a number of aspects to it. I'm asking if the government is considering that, has in fact made that as a proposal, something like that, to the federal government.

Mr. Chairman, just a bit on gas deregulation. I'm not sure if the government is still for gas deregulation on November 1 or not. I would like the Premier to clarify it somewhat. I hope we're pushing not to have it at this particular time. I ask the Premier when I look at the agreement — I know he says we own the resource. Yes, we do and it makes it clear in there. But I think there are some real problems in what we signed. It was alluded to, I think, yesterday in the House. Under Principles it says:

3. ... While prices will continue to be prescribed by governments, immediate steps will be taken to enable gas consumers to enter into supply arrangements with gas producers at negotiated prices ... which prices will then promptly be endorsed by governments ...

Mr. Chairman, I see by that that we're supposed to automatically do what the private sector wants.

If I heard correctly, the Member for Westlock-Sturgeon asked about clause 13. There's another one, 23. It seems to us that it says there that we have to follow along with what the private sector is saying. I guess it's hypothetical when you talk the federal government out of having deregulation, but I suggest that we'd really lose some control, as I understand this agreement, even some provincial ownership control. It won't be as easy to stop as the Premier indicates. I'd like him to go back to that.

Mr. Chairman, the other area I'll go over quickly is free trade.

MR. GETTY: You're going to have to stop; I'm forgetting them.

MR. MARTIN: Okay, I'd be glad to do it then; great.

MR. CHAIRMAN: Perhaps the Chair could interrupt for a moment. One of our colleagues has some guests in the Assembly. Would the committee agree to very briefly reverting to introduction of guests, please?

HON. MEMBERS: Agreed.

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

MR. ADY: Thank you, Mr. Chairman.

I realize this is a little unorthodox, but I don't often have guests coming from my constituency because it's so far away. In the gallery tonight I have Mr. and Mrs. Heath from Magrath and their family, who have travelled through from Expo and are really pleased to be here to visit this committee. Would you join me in welcoming them to the committee.

head: **COMMITTEE OF SUPPLY**

Executive Council
(*continued*)

MR. GETTY: Mr. Chairman, the hon. Leader of the Opposition has dealt with a fair number of items. Starting with diversification, I think he made some good points, and obviously the comments made by the former Premier were dead on, as a matter of fact. He not only predicted it, but in a lot of ways it came true. We have made a fair amount of progress in the area of diversification, and the hon. Minister of Economic Development and Trade took some time to go into that, as did the previous minister, earlier in the House. I think it was in some ways because of the continuing attention and focus on energy as an ownership issue both in battles with the federal government and then in a constitutional way that at times the government was deflected from what should have been an intense effort for further diversification.

Nevertheless, there continually were efforts at diversification going on, and they are being pursued at even a greater speed now. The Leader of the Opposition raised figures which are true as a percent, but he must remember that the dollar value was growing all the time, therefore increasing the percentage he quoted.

It seems to me, Mr. Chairman, that there is no real hope in diversification unless you can do it based on natural advantages, in areas in which you can compete with anybody. That has been difficult to establish in this province, but I think we have been able to establish at least three main areas that additional efforts will pay off in. We are, of course, never able to forget that we must maintain the health of our energy industry and our agriculture industry. That's never been more obvious to anybody than right now. But if we can see where our other natural advantages are — first, in upgrading our agricultural products and our energy products. I think members will argue that that's not true diversification; that's just a step further along in the same industry. But I would argue that it is a degree of diversification, and the government has made considerable progress in that regard, because rather than shipping products out of the province in the raw state, they are upgraded to a great extent in this province either in the petrochemical field or in agricultural processing. That hasn't been easy. As some hon. members know, the petrochemical industry is struggling right now. Nevertheless, it has made a significant impact on this province and on jobs for Albertans in upgrading our products. I think it's fair to say that Alberta is probably the first-class petrochemical centre in

Canada and wherever else you might want to argue in North America.

Coming back to natural advantages, it seems to me that they are, first, in the area that I would emphasize, tourism; second, in forestry; and third, in the whole area of technology research. I think it's obvious, with the magnificent province we have, that tourism has to be one of our natural advantages. I've said this many times and I suppose members have heard it, but I'll say it again. If you can't sell the beauty of this province, then you can't sell anything. I think we've only scratched the surface in our efforts in tourism. Our government is going to be and is being very aggressive in developing tourism as the third foundation of industry and economic activity in this province. I won't go further into detail in that regard, but the government's efforts are very significant.

Next I mentioned forestry, and as all members know, we have tremendous forests in this province. Not only that. In this province we not only require that companies replace the forests when they harvest them; we are actually through the heritage trust fund increasing forests. We are growing forests where they have never grown before. So we're not only maintaining our forests; we are actually increasing our forests. No other jurisdiction in North America is doing that.

One of the problems we've always had in this province is that while we can harvest our softwood lumber, we have not made any significant strides in harvesting our aspen or hardwood. As a matter of fact, the cycle is that it grows — poplar and aspen grow like dandelions in Alberta — and matures and then usually dies or is burned. That's why I think the research the government has been doing is so significant. The breakthrough has been made in the pulp mill that will be going into the Whitecourt area, because for the first time there is a significant use of that hardwood resource. I believe it will be so successful that we will see a second, third, and fourth pulp mill of that nature built in this province, because we have such a tremendous resource in hardwood.

Pretty well 95 percent of the products from that pulp mill will be shipped out of this province and will be used by Scott Paper and companies like that to turn out diapers and paper towels, that type of product. I think that in the future, as we establish ourselves as a supplier of that product, those companies or companies like them will move here to locate near the pulp mill itself, and we will have the products upgraded here as well. But in the area of our forestry resources, and of course not just concentrating on the hardwood but our forestry resources in total, because we are the only jurisdiction that is increasing the size of our forests, we have a chance to make that another foundation of our economy.

Another area, of course, is the area of technology and research. Alberta invests something like \$750 million a year into research, by far the greatest per capita of any part of North America, perhaps the world — \$.75 billion a year of research in this province, much of it done at our universities but most of it funded by the government. We are making breakthroughs. There's no question that we are the centre for medical research in North America. The talented people are coming here, and we are able to count on the breakthroughs that will be coming. We're building on this tremendous investment and research year and after year. I believe we are going to have the breakthroughs that will lead to new technologies. Those new technologies along with an aggressive chase, if you like, or fight for companies

throughout North America with existing technologies — we will be able to establish Alberta as the place in Canada in the whole area of science and technology and research.

So, Mr. Chairman, without going further into the diversification area, because I'm sure other members are going to want to talk about this matter, we will have not just agriculture and energy but we will have a third foundation, tourism; a fourth foundation, our natural resources using forestry; a fifth foundation, the whole area of technology and research. I think that if we are diligent and are not deflected as in times past, we will in fact be able to establish this much sounder economic base in this province. We are determined to work in that area, and only time will know whether we are successful, as I think we can be. I always say when I talk about diversification, though, that our efforts can never keep us away from maintaining the health of our energy industry and agriculture, which is, of course, the foundation of this province.

In the area of oil and the problems with oil prices right now, it's difficult to determine what you are going to do as a policy or program unless you know from what base you are operating. I know it's getting dangerously late to be still trying to establish what that base is as a result of the free-fall in oil prices starting in December or January, depending on your point of view. But it hasn't been that long. It has been a pretty dramatic impact on this province, something that most people in the province have never experienced before. Certainly the industry hasn't. Trying to establish what is the right way to combat that is certainly something that is a challenge.

I appreciate the support from the hon. members about removing the PGRT. You say, "Okay, let's put it to one side." But I think it is such a symbolic item now that you can hardly be working on a federal/provincial basis on some nationally supported program to help the energy industry if, in fact, you are still taking off a tax which you say is illegal, I say is immoral, and even, I suppose, the Member for Westlock-Sturgeon no longer wants around, even though he was one of the supporters of it once. So I think we have to remove that symbolic tax before we can seriously develop another program with the federal government.

I think it has to be with the federal government. I think all consumers throughout Canada have to participate in this, because the province can't do it all alone. We cannot continue to fill the void that has been thrust upon us by the dropping oil prices. We have done, as I said earlier today in the House, some very significant things. We have lowered our royalties dramatically. We have helped the small producers with additional royalty tax credit, and we have provided activity programs during this year. I hope that in the coming months we will see those activity programs taken up more aggressively than they have been for the first two months, but I think that when you look at the way the industry operates, you can understand why the take-up has been slow. April is traditionally a shutdown month. May is traditionally a month when they repair their equipment, and they often take their holidays then. The industry only starts to gear up in June, and here we are in early July. I think we are going to see a much greater take-up of those programs and the result in activity at the same time.

Nevertheless, if we are going to — I should say one other thing. The dropping of the royalties has been so significant that when you match that with the flowing back of additional funds to industry, I think industry is then being unrealistic to continue to ask for massive royalty cuts.

I don't believe they have taken the time to really look at the level of royalties that we now have. They are dramatically reduced. As the Leader of the Opposition says: "With the current revenue forecasts of the government and the problems with our deficit, I think they're being unrealistic to say, 'give us another massive cut'." For one thing, many of the small companies don't pay royalties now. We've protected them already. If we did merely reduce our royalties and no additional activity resulted, what would we have gained? They might well have paid off their bankers, or large companies will have used the money to buy out smaller companies without providing either additional exploration or jobs. So no, that can't be the answer.

The floor price is one recommendation. I don't see any magic in the floor price either, that the floor price would automatically lead to activity. If a person were getting some more money for his oil — I gather it would be tax money that the Leader of the Opposition would suggest — I don't know at what level it would increase activity. Again, the dollars might well go into a bank. They might go to buying out smaller companies. They might just sit on them as well and say: "I'm not so sure I want to invest right now. Things don't look that good to me." Where would the activity and jobs be then?

What would happen then, I would suggest, is that having sent tax dollars to the industry and having had no additional activity, the pressure would be on to send civil servants after those tax dollars. "What are you doing with the dollars? Why aren't you drilling some prospects?" The argument might be, "I don't think the prospects are good enough." I think you could then get the argument — I'm carrying this on a little far — where we would have our civil servants looking over geologists' shoulders and saying: "Why aren't you drilling that one? Why are you keeping the dollars? Why isn't the activity coming?" I think you have to be very careful in the way in which you structure whatever efforts you have to have industry, first, strengthened and, second, active.

In the areas the Minister of Energy has been working, it's too easy to say just in the equity area — I don't want to take too long here, because other members are going to want to ask me questions on a variety of things. I'd say the options are loans — I'm going to be very broad, but leave it at that — or equity and, built into both of those, some incentive to do something with the dollars. Those are matters that we are looking at. But we believe those are so significant in dollars that for the province to carry them itself would be just too much. We must have a national commitment to supporting a national industry, and that's where we're having the problem. I think we have to have the PGRT removed. We have to work with the federal government and convince other parts of Canada that the real crunch is going to come when this lack of activity in Alberta catches up to them in the late 1980s or early 1990s and we are once more totally at the mercy of foreign supplies. That's the thing we are striving to make sure does not happen, first, by keeping Husky going, secondly, by keeping Syncrude going, and thirdly, by helping Suncor.

Like the Leader of the Opposition, I believe that heavy oil and the oil sands are the only true security of supply that Canada has for the future. They're here in Alberta. We want to maintain momentum and progress in those areas. If we do not do that, I think future historians will say: "What fools they were; they allowed the Middle East to do it to them not once, not twice but, even warned, allowed it to happen again, because of shortsighted policies in going

for low prices." Those are the arguments we're making with the federal government and other provinces. It's a matter of convincing the consuming provinces of how important it is not just that they have cheap oil, which they want, but that they have oil at all, produced in Canada, in the future when they will need it. I think that's the key for us: first, to convince them and come up with the right process in which we will have consumer dollars from all over Canada supporting the energy industry. The dollars aren't going to be anywhere near in the range that Alberta has sent to eastern Canada. We've supported eastern Canada in the area of \$50 billion to \$60 billion. I don't think it's going to be anywhere near that. It's something, though, that takes a lot of arguing to convince people throughout this country of ours.

That just gives you a brief view of some of the considerations that we have in our minds as we're tackling this matter. Keeping the industry healthy, helping them on the short-term basis, but insisting on activity, removing the PGRT, and developing the process that also results in activity, protects not only Albertans but Canadians for the future in security of supply.

One other thing: the Leader of the Opposition was talking about oil sands and heavy oil and an equity vehicle. There is some interest in an equity vehicle, and I don't think it should be discarded at all. The fact that you've suggested it doesn't stop me from taking a good hard look at it, and we certainly will.

There are other things that might be done in the oil sands area. There are studies being done as to whether or not instead of having one totally integrated oil sands operation we shouldn't have a huge utility-type upgrading or refinery and just have small mining operations delivering their product to the one large utility refinery in the north in the Fort McMurray area. That is being looked at.

You mentioned whether CPA, after having lower royalties, wanted then to have a floor price. I've never heard that from them.

Gas deregulation: it was part of the agreement, and it was also part of the agreement that having signed it there would be a year to phase into deregulation. A lot of things have happened since then, and as I've said in the House, we've got an open mind. We haven't changed the date or the intent, but we're certainly listening to industry, and we're talking to the federal government about this. We're trying to see whether the benefits of delaying deregulation are more on the side of our industry and the people of Alberta. That decision to delay it hasn't been made; therefore, as of now we're continuing to November 1, 1986. But as I said, it's being considered.

From my notes, Mr. Chairman, those are the items that have been raised up to now, but if I've missed any, someone can mention them to me and I'll try to answer them or any others.

MR. CHAIRMAN: The hon. Member for Edmonton Highlands followed by the hon. Member for Calgary Buffalo.

Mr. MARTIN: Mr. Chairman, I just stopped because the Premier had asked me to because he was running out of space. It was getting confusing, so that's why I stopped before.

MR. CHAIRMAN: The Chair is going to need some guidance because the system we've been following of course is that each member is recognized and then able to speak.

Am I hearing from the Leader of the Opposition that he's content to rise now because the Premier indicated he wished to speak at that point and invited another comment? Would the hon. leader also accept then the restriction of the 30 minutes?

MR. MARTIN: Yes, that's fine. It'll be questions rather than a speech. But I did yield at the time, and that's why.

Mr. Chairman, just to go into some areas — and I will strictly ask questions, but the only thing I would quickly say about the floor price is that many investment agencies, not just the New Democratic Party, are saying that prices are the only thing that will turn it around. I quote two lines from F. H. Deacon Hodgson Inc., investment analysts:

Although royalty relief from Alberta can be expected, this will likely only cushion the fall. Generally, the government relief that is possible will not be able to offset the severity of the decline in revenues stemming from lower prices. In our judgement, the only development that could thwart a major industry downturn would be if oil prices . . . return to low to mid-twenties.

Mr. Chairman, I come back. It seems to us that the price — and whereas the consumers agree with the Premier that there is an obligation for all of Canada. I also agree that we never did get the world price and that we should have some basis for coming back for help when we need it, a blended price for consumers right across the country, to keep people around. It may well be that there are other ways to get people to drill, as the Premier is well aware, but some of the smaller companies won't be there if we don't have some price control. That's the major point I wanted to make there.

Let me go in and rather than spend any more time on gas, just ask some questions dealing with free trade, Mr. Chairman. First of all, the government has clearly endorsed free trade, if I can go by this comprehensive book that they put out. I hope every grade 6 student has read it. They say in here that the Alberta government believes the best way to expand is by securing a comprehensive free trade arrangement. Even the federal government I believe now calls it "enhanced" trade. I'm never sure what free trade means; perhaps the Premier can tell us.

But I want to ask this question, because we dealt with petrochemicals. One of the things that the government has said would enhance our trade — and they've often used the petrochemical industry as an example because of the tariff barriers. The other day the minister of economic development said that the petrochemical companies were so happy with the government because they had got lower prices. They've got a subsidy is what it comes down to. My question is: would not any free trade agreement be an unfair trade advantage? In the Premier's opinion, would they not accept this in any type of free trade arrangement? That's the point we've been trying to make. The Premier alluded to it; the major advantage we had was a supply of natural gas. Perhaps the things we've been doing with the petrochemical industry would now be ruled illegal if we got into a free trade agreement. I think we have to be very careful about that, Mr. Chairman. I would like the Premier's comments on that.

The other thing is the process, Mr. Chairman. I agreed with the Premier when he said that the province should be at the negotiations. I still believe that, because many of the things that Mr. Reisman and his group will be talking about fall, I believe, strictly under provincial rights. I want to know why we gave that up. Why? Because Mr. Mulroney

said, "Let's go ahead"? I still say to the Premier that it's not good enough to get a report from Mr. Reisman after the fact. We should have somebody there, even if they're not negotiating, to know precisely what's on the table.

Flowing from there, I'd ask the Premier to indicate to us what concessions Alberta is not willing to accept in any bilateral free trade agreement. For example, what are we to do for subsidies for petrochemicals or stumpage rates for the forestry industry? Are we going to keep control for that? Royalty rates: are we going to keep control of that? Medicare? Our pork marketing boards that we've talked about and Fletcher's: are they up for grabs? Our 25- or 30-year revenue rates on natural gas? To sum it up, Mr. Chairman, I guess what I'm asking of the Premier is: what is the bottom line of things that we wouldn't accept in terms of our provincial rights, if I can put it that way? It's a very confusing area at this particular time. Nobody knows or seems to know what's on the table.

The other thing I want to come back to and remind the Premier is that he said they had reports about free trade and he would look into the possibility of releasing them. Perhaps he can update us if he could do that. When this question was asked with Mr. Lougheed in the Legislature, he said that they didn't have any. So I take it these are recent ones, within the last year. Could he allude now as to whether we would be able to table these so we could take a look at them.

Mr. Chairman, I could go into a number of agriculture questions just quickly. Why we refuse to look at debt adjustment — I would remind him that the Canadian prime rate is 8.75 percent today. Would there be any thought about still lowering our rates down from 9 percent, in view of the fact that it is coming down today? Also, there are a number of questions alluding to price. One of the things I want to ask: at the next conference that the Premiers are holding will the topic of deficiency payments be talked about? What is the government's stand there?

Just quickly on the labour laws, Mr. Chairman, the Premier is well aware that even Mr. Dubensky said today that

It would be our suggestion to the Minister of Labour that serious consideration be given to examining the Labour Act particularly in the area of replacement employees. Since there are several options we will not specifically suggest any one.

It seems he has come back without suggesting what the problem is, just saying that there is a problem with the labour laws, especially in that area.

I've asked the Premier, and other people have, and the Minister of Labour we see in due course. There's a lot of animosity out there in labour relations, not only at Gainers — Fort McMurray, Lesser Slave Lake, and other areas. We think it's rather important and hope the Premier could be a little more specific and give us the time line of when we might be looking at this.

Mr. Chairman, there's one other question that I have. It's a bit of a bugbear with me. I've had discussions with the Premier, and we've reverted to letters. I know what his stand is on Public Accounts. Public Accounts, if I may say so, is not working as well as it should. There are many reasons for that. This particular committee could be a very valuable one regardless of which particular political party you are from. It's working better in many parts of the country, not in all of them admittedly. But I seriously ask the Premier if he would take a look at this again. Government members could be as valuable as opposition

members on this. We could really put the bureaucrats on the spot to make sure that we're getting the best bang for our bucks. After it's debated here, the Public Accounts should deal with it, just in terms of value, not in terms of the policies. There are very many examples that are working well. I ask the Premier again if he would look that over and perhaps take a look at some other programs in Canada. We'd be all serving the taxpayers well.

The Member for Edmonton Meadowlark was asking about government expenses. This is one committee that could really look into it in great detail, not with the ministers — I think that's a mistake because it becomes political — but with deputy ministers. A committee that works all year round, Mr. Chairman — I really appeal to the Premier to take a look at it. I think we all, regardless of our political stripe, want to get the best bang for the buck after we decide the laws here. It's the bureaucrats that should be held accountable at that level. That's what Public Accounts do not only here but in other parts of the British Empire. I was talking to a person from Australia about how their program works. I ask the Premier to relook at that.

Mr. Chairman, I believe those are the questions I want to ask. I'll listen for the answers, and perhaps I can follow up on some of them later. Thank you.

MR. GETTY: Mr. Chairman, I notice that I did miss a question about the world price, what would happen as a result of clause 9 and whether clause 9 was put in more for federal protection than provincial protection. My suspicion from history in Canada is that it was put in more for federal protection than provincial protection. Nevertheless, we can only go by conditions as we find them now, and while we have no assurances, we do have the statements of the government with which we are dealing that they believe in deregulation in oil prices and that a cap will not be put on when the price goes up. We are all from Missouri when it comes to that.

I spent the first seven years of my time in this Legislature spending many long hours fighting over those types of promises. If there is any way to have a good chance that you will share the benefits on the way up and at the top, it is for sure to have to take some of the pain at the bottom. Therefore, we are. There's no hiding the fact that there's pain; we are experiencing it. We will fight with every bit of strength we have to make sure we do have the benefits on the way up.

One of the things that bothers me about the debate in Canada is that so many Canadians bring up worries and try to present problems in the area of free trade. It seems clear to me that as a nation and surely as a province our future lies in expanding our markets. We have the ability to produce much more than we can consume, so surely we are better off to expand our markets and try and expand them with our friend and neighbour and best trading partner on a long-term basis. That's what we mean by enhanced or free trade or anything else. I don't care about the label either. But what bothers me about some Canadians is that they take the position from the beginning that since there are problems and since the United States is a big, strong country, somehow or other we are going to be whipped in the negotiations. If they start off saying that we're going to be whipped, then they go to the next step and say, "Let's not even try." I believe that that is completely the wrong way to go about it.

First of all, I think we can compete with the United States in negotiating. I know we can compete with them

in trade, and I believe that if we handle ourselves well, we will establish a trade arrangement with them on a long-term basis that will eliminate the kind of protectionist things that are going on right now that throw an industry out of whack just by a stroke of the President's pen in the United States. I think we have to strive, and we have to have the confidence that we will come out with a good arrangement. If we come out with a bad arrangement, all we have to do is not sign it, but surely we should have the courage to try. Those are the fundamentals that lead me into pursuing aggressively the trade area.

You mentioned whether or not if we have low prices for gas, won't the United States say that that is protection or subsidy? The United States has so many subsidies and protections of their own that I don't think they can start pointing fingers at us in any way for something like the price of gas for a petrochemical industry in the province that has all the gas. It obviously wouldn't be part of an agreement that we would agree to. Therefore, while you can draw it up again as something that might happen that's bad, I think that shouldn't stop you from trying to get something that's good.

In the United States, as I said, their whole economy is rife with subsidies, and they have a lot of cleaning up of their own act to do. If our negotiators are handling themselves well, then we'll be able to point that out and get some give-and-take and end up with a good agreement.

Whether the provinces are in the room is a contentious item. There are 10 provinces negotiating with the federal government on this issue. Some feel just as strongly as we do about not being in the room. They feel as strongly about not being in the room as we feel about being in the room. They feel that it is a federal responsibility, and they will not participate if there are provincial people looking over the shoulder of the federal negotiator.

I don't want to go on with the types of arguments that you might picture amongst the 10 provinces who are taking the two sides of that argument, but what we agreed to do is have it go on for three months on the basis that the federal government and the representative of Alberta, the minister of External Affairs, Mr. Clark, whose responsibility it is, asked us to trust him for these three months, that he will ensure that we get the information virtually on a daily basis back and forth with our trade representatives at the officials' level. We will have meetings, and we already have had several at the ministerial level, and at least every three months we will have a first ministers' meeting. That's a lot of meetings and a lot of information. We're trying it, and we're going to see. We're going to try and judge whether we're getting the right information and facts. Then if we don't think we are, we will change it, but that's going to have to just be a judgment.

One of the things I really think Canadians and certainly Albertans shouldn't worry about is the so-called story that if we arrange a trade arrangement with the United States, somehow Canada will become another state of the United States. I think that surely must have gone out of people's minds years ago and should be just wiped from our minds. This country is a strong, aggressive country with talented people who are proud to be Canadians. Why in the world would anyone think that we would for a minute go along with the idea, because we have struck strong trading agreements with somebody, that we would want to become part of their country? I just don't see any validity of that one anymore. Maybe once when Canada was small and the States was big you used to worry about things like that. I

think that is absolutely something that Canadians should completely wipe from their minds. There are no Canadians I know of, or none of any consequence or number, interested in becoming part of the United States.

The hon. Leader of the Opposition raised the question of what things aren't up for negotiation. I don't think you go into a negotiation listing all the restricted things, but he should know that such things as ownership of our resources, medicare, so many things, would never be part of any agreement. Those discussions are going on at the first ministers' level and at the ministerial level. I don't think it is helpful to talk about them publicly, what won't be and what will be, but rather to know that we are giving our negotiators instructions and that the ultimate control, if you like, is that this Legislature would have to agree to this province entering into any agreement. And why would we, if it took away things that we feel so strongly about?

As far as the studies, I haven't had time yet to look at the inventory which Mr. Horsman, the Minister of Federal and Intergovernmental Affairs, is preparing. However, it is being prepared, and we'll give it to members as soon as we possibly can. It is true that there has not been a lot done by the government on the basis that it was so obviously clear of the advantages that it wasn't necessary to spend money on a lot of studies. However, there are a lot of studies being done by a lot of people, many of them coming to us and some being done by us, so the inventory will be prepared and the studies will be made available to the greatest extent possible.

You mentioned the interest rate, and I think you meant that the bank rate is 8 point something, not the prime rate. The Provincial Treasurer was talking about this today, because if we had rushed in and acquired the long-term funds some time ago, we might be wishing right now we hadn't. So he has been watching and using the best advice possible as to when we should establish the long-term funds. If it is possible that interest rates are significantly lower on the long-term funds that we could lower the rate on the programs which we've established in the farm area and small business, we would certainly do it. I would be very pleased if that were possible. If it is possible, we'll certainly tell the House about it.

You mentioned labour laws. The labour laws that we presently have in this province have, in moments of some rhetoric, been called all kinds of things. They are being reviewed and were going to be reviewed long before we came to the position that we're in now with one particular dispute. But those are the same labour laws that allowed organized labour to become so strong in this province, and they were so satisfied with those laws. They're not dramatically different from other provinces'. Nevertheless, they are being reviewed, and Mr. Dubensky has pointed his finger at a particular area.

However, I think that to deal with just that particular area, as the Member for Edmonton Gold Bar said today, would be wrong. Because labour laws are such a matter of balance, the total package of laws must provide both the employer and labour even footing on which to come together and strike an arrangement. If you just ...

MRS. HEWES: That's the point that they're out about.

MR. GETTY: Well, that's why we're reviewing them. But if you were to move on just one thing, I think it would be a disservice to creating good labour legislation. It takes

time, and we all want to come up with good labour legislation, and that's why they're being reviewed.

I might say one thing, though, about the Dubensky report. I had some concern, and I think the Leader of the Opposition might have had some concern, too, if he thought about it today. If we as members of the Legislature and the Minister of Labour start to get into the recommendations while the process is still going on — I had some concern that we were starting to do that today, starting to point out that one of his recommendations doesn't look good in this regard or that regard. The process is still going on. The law in this disputes inquiry board calls for 10 days in which both sides take a look at this report. I don't think the House would be wise to start to take a run at various parts of his recommendations. I think we should try and consider that the whole matter is still before the board until the 10 days are up, try and be silent on any parts of the recommendations, and hope that both sides will give them serious consideration. I guess we would all hope that they will lead to a solution. So I don't think we should be delving into specifics of that report just on a reasonable basis. I know it did stop, but there was a point where we were getting into whether the wage was this much or that much.

The labour laws need to be reviewed because of the changes in our economy. I guess that must be the main reason. Therefore, they are being reviewed. But there's one thing that I think we all should be sensitive about; that is, organized labour has been dramatically hurt by the downturn in our economy. They are desperate in some regards, and they require our sympathy, guidance, and assistance to the greatest extent possible through this period. We should all be careful that we don't fan the flames of that desperation. I think members of this Legislature should be particularly careful, because we are going to be the ones deliberating on how we guide and assist them through this transition and how we come up with better labour legislation.

Mr. Chairman, the only other thing I haven't talked about is the Public Accounts. The Leader of the Opposition and I did have a discussion about Public Accounts. I remember that when I was in opposition, I sat on a Public Accounts Committee and I found that it worked fairly well. It takes a lot of hard work. There may be improvements, but it didn't seem to me that I could just suddenly come up with the right ones. Perhaps what we should do is ask our Public Accounts Committee as to whether or not they might want to structure a representative group of their committee and have them look into the suggestions of the Leader of the Opposition that there are better ways of doing it in other provinces. It shouldn't be difficult for Public Accounts as a committee to decide whether they would like to do that. I would certainly support it if they wanted to do that.

I think that's all of the points I had in my notes, Mr. Chairman. I'm sure many other members may wish to ask me or other ministers responsible for Executive Council estimates, and I'd be happy to try and answer them.

MS BARRETT: Mr. Chairman, I would like to take the Premier up on his offer to address my remarks and questions to the minister responsible for the Women's Secretariat. Before I do that, there may be one comment at the end that the Premier might wish to add with respect to the priorities and planning committee, and that would be some kind of commitment to the overall thrust of the statements and arguments that I'll propose with respect to the spending,

but that will be it. Otherwise, I'd appreciate the responses from the minister responsible for the Women's Secretariat.

Before I make my remarks, Mr. Chairman, I would like to — for once, and I won't do it every year — publicly thank all the women's committees across the country for some of the information that I'm able to draw on tonight. For example, the National Action Committee on the Status of Women, the Alberta Status of Women Action Committee, the Canadian Advisory Committee on the Status of Women, and even StatsCan have really done a tremendous job in collecting a lot of information. I think the information leads us to certain conclusions with respect to women in the province and, of course, these would come under the provisions of the minister's responsibility.

First of all, I might just say that I believe the title of the vote to which I'm referring, co-ordination and advice respecting women's issues, is slightly misleading. I wonder if those people in the minister's department who put together titles for votes would consider referring to women's equality at some point or another, because it is not the view of many women in this province that there is such a thing as women's issues, particularly in the economic sense but actually in the social and politic senses as well. We believe that we are true and equal participants in society and that what affects us affects all of society.

I have to say right off the bat that I'm a little bit dismayed at the size of the budget that is being directed for this particular vote, vote 4. It's very small considering we are talking about programs and policies which will in the long run — or maybe never at all, depending on the political will of the government of the day — affect women in Alberta. Having a dozen people working on behalf of half the population with a specific goal in mind — not that I know what it is yet; I look forward to the Bill — is not a lot of money, given the overall size of the budget. I realize that the government is facing a budgetary deficit of some substantial proportion, and I know that no matter what the year is, people are always going to argue for more money.

However, I would point out that given the kinds of legislation we live with in this country and in this province, the packages that we have under, for example, equal pay for equal work, have not made a substantial dent in the inequality women suffer in the work force. Therefore, given that women do constitute half the population, I would make a strong argument for women qualifying for a much larger chunk of the budget for the sort of work that needs to be done with respect to both advising government ministers as to the condition women find themselves in and helping devise policies whereby we can alleviate those conditions of inequality. I would like some response on that from the minister.

To set out some of the examples that I think will show the minister and the cabinet members present how serious the problems are, I would like to point out some facts which I'm sure the minister is aware of but some he is possibly not aware of. For example, within the work force itself and for overall earnings women in this province have annual earnings representing about 53 percent of men's annual earnings. That's all income, of course, but when it comes to work, we know that the figure is 64 cents on the male dollar comparing oranges and oranges, full-time and full-time jobs.

I belong to a political party which has for years proposed some very good alternatives to allowing women to be stuck in that kind of economic rut, and I wonder, when the

minister is replying to my questions about the budget in understanding why the budget for the Women's Secretariat is so small, if he can balance that somehow with the overall needs that women have in that economic sense.

Single mothers, for example, make up 82.6 percent of all single parents in the country, so single fathers obviously don't represent much more than 17 percent. However, what you will find when you look at the statistics is that the incidence of poverty amongst single-parent families is considerably more likely to occur amongst those headed by women.

Women also constitute 71.8 percent of all part-time workers, and I know that in this Assembly, in fact, I've seen members joke about this issue, assuming that women don't need money and that's why women work part-time. But I can assure the minister and the Premier that that's not true.

In 1982 approximately 60 percent of unattached women were living below the poverty line. A very famous feminist who has over the years changed her views, Betty Friedan, now identifies, and has for a few years, the number one obscenity in society as being poverty and the poverty that's suffered by women. So I think that we have to make this a real priority issue. I don't know how that can be done with such a small staff and budget and — I can't resist a political poke — without a council on the status of women.

I would like to point out to the minister that amongst the many items I have on my desk that I find useful is a document produced by the Canadian Advisory Committee on the Status of Women, which is, of course, an agency funded by the federal government — and I say thank heavens. One of the subtitles that I think is very appropriate says Women: Approach With Caution: Poverty Ahead. When one looks at the magnitude of the level of poverty amongst women in Canada, it's absolutely frightening. It comes to about 1.5 million women; more than one in five living in poverty.

I realize that the minister's budget is unbelievably small, but I sure would like some commitment that out of this budget the number one thing that we are going to look for is policies whereby we can alleviate that staggering figure with respect to poverty amongst women. I'm concerned about poverty overall, but the incidence amongst women is just too high. It increases with age, and it increases with age if you're single. As I said before, the factor quadruples if you're a single parent and a woman.

I think two more points drive home the importance of the issue of poverty amongst women, Mr. Chairman. In terms of depth of poverty by family characteristics, women practically have the monopoly when it comes to being well below the poverty line. We are amongst those who are considered poor by the StatsCan low-income cutoffs — and I know this government doesn't recognize those cutoffs, because to do so would be to admit some kind of actual figure. But I do recognize those figures, and I think that a lot of people who live in poverty recognize those figures: 46.3 percent of those recognized by the federal government, the National Council on Welfare, are women in the category of living between 50 and 75 percent of what's considered the poverty line, and 24.7 percent of single mothers, for example, are living at a rate of less than 50 percent below the official poverty line as viewed by the federal government.

It seems to me that there are a couple of different ways that we could pursue this particular issue. One, of course, is by taking a really serious look at affirmative action policies for women in the work force; and secondly, equal

pay for work of equal value. I'd like to anticipate some arguments that I'm going to get in this regard, because I've heard them before: that is, right now we're living in a recession — actually, when it's protracted year after year, I think it would be fair to call it a depression — and we can't afford to go setting examples; we're talking about public money. But if we don't set the example, who will? One has reasonably to ask this. Are we to be victimized constantly by either a recession or inflation? There is always some kind of economic excuse.

I would like to point out that if we had affirmative action policies from within the parameters available to government, we would also be putting more spending money in the hands of women, which would provide us with two economic benefits, one of which would be to alleviate the state of poverty in which women find themselves and the second of which would be to promote the velocity of the circulation of money and help things pick up. So I basically don't buy the argument that I have anticipated from the government.

Another thing that is really important is that Alberta is one of two provinces in this country where a woman in the work force with a university education on average earns less than a man in the work force who has some or full high school education. I recently reviewed these statistics, and I was dumbstruck to read that not only is that the case, but when we compare university-educated male with university-educated female, the ratio of income is still staggeringly in favour of the male employees, to the tune of female employees earning on average \$25,395 per year in Alberta and the men with the same education earning on average \$36,825 per year. There has to be a way to address this. I worry about the next incarnation of the Bill that the minister is going to introduce if it doesn't have provisions for addressing the overall system of pay inequity. Again, I say that if we don't lead the way, one has to ask who will. We've had the equal pay for equal work legislation in this country since 1956, and the advancement of women in terms of income has been remarkably slow.

I'd like to point out for the minister's benefit that the Alberta government itself has failed miserably in this respect as well, in terms of affirmative action or anything remotely like it. For example, out of a total of 26 property agents and appraisers in the public service, only six are women, and none in the top two classifications for that job are women. This particular survey I'm referring to, which we released a few years ago, actually on March 7, 1985, was a study called Growth Series Indicators, and it was with respect to Alberta government employment categories and pay. I note further that of 11 cooks in the highest paid category, only one was a woman, but of 115 cooks in the lowest paid category, 87 were women. We know that female public employees earn on average \$10,000 a year less than their male counterparts. The education statistics in a publication last year from StatsCan called Women in Canada will indicate that it's not that we're undereducated or that we can't compete in terms of qualifications.

There's a serious problem here, and I'd like to know if the government plans to lead the way in helping us get out of this problem. In terms of management, the last figures I have show that of all male employees in the Alberta public service 28.3 percent were in management; of all female employees in the public service only 2.6 percent were in management. It looks like the Alberta government is failing in a number of different respects, both in promoting women into the nontraditional jobs — not that that is a

panacea; everybody can understand why — and even within the same jobs. If we don't take the lead, we will perpetrate the system whereby women hold up half the sky but get a quarter or a third or half of the pay.

When it comes to overall benefits for women, I note that it was the Alberta government, under the previous minister responsible for this portfolio, which objected to a federal initiative to implement a program for homemakers' pensions. I'd like to be clear for the record and for the minister, although I'm sure he's aware of it, that by those homemakers' pensions we weren't talking about just automatically qualifying; we were talking about contributory pensions. It seems that Alberta is dragging its feet. I worry that the government will say that we'll just have to wait until we get some research in from the new Advisory Council on Women's Issues, as it was called anyway, before we can move on this kind of issue. But I would point out that that's not necessarily true. At the outset all the organizations that have done so much research — it's true that we could sure benefit from some more in terms of income levels for women, child care facility usage, where women really fit within categories of employment and the pay that accrues therefrom, and that sort of thing.

I have only a couple more remarks that I'd like the minister to address. I admit that they're all kind of general, but I think they have to be made and that we have to have a sincere commitment from this government to do something and not just research, because if we're going to say just research, I don't think the budget is sufficient for the kind of research that would be necessary.

Within the work force itself the growth occupations for women, aside from unemployment — and I actually don't mean that facetiously; I think that probably is the number one growth occupation for women in the work force — is shown in the StatsCan catalogue called Women in Canada. They're typical pink ghetto jobs, Mr. Chairman. They're bookkeepers, secretaries, tellers, cashiers, waitresses, and salespersons, and those are typically at the low end of the income scale.

I don't think we have to reinvent the wheel here. I think we can look at policies that have been used in other provinces and states. If we don't have policies to help promote women into other occupations, we're never going to get out of that syndrome. It's not just promoting women into those occupations; it's devising the economic mechanism whereby they will be promoted. That mechanism, I fear, must be legislated through a desire to see affirmative action, and I think there's no way around the equal pay for work of equal value concept with respect to sorting out the gross inequities which exist between men and women with equal ability earning different incomes on jobs that really are comparable.

I would be interested to know if the minister himself has his hands on a more recent study than that which I've been able to get with respect to annual average earnings of women in the Alberta work force. The last one that I was able to receive, through the man who was then my employer, Ray Martin — and it was kindly delivered by the government side — showed that the rate of acceleration in trying, without a formal policy, to increase women's pay within the public service had to come to a stop. It seems that we hit an all-time high. It took seven years to raise the female salaries in the provincial government from an average of 63 percent of their male counterparts to an average of 68 percent of their male counterparts. That rate, it seems, started to slide in the autumn of 1985. I wonder if the minister is going to comment about a policy that he

has to turn around that tendency. Even at the rate that we were going, Mr. Chairman, I believe it would have taken until the year 2030 before women in the Alberta public service would have been earning the same as men in the Alberta public service on average.

I note that because of the women in the Alberta public work force and the nature of the work and the income they earn, I wonder why consistently through departments I find relatively handsome cost of living increases for the ministers and significantly less increases for the work force. I ask this primarily from the perspective of women in this regard. I see the minister shaking his head. I don't expect him to know everything all at once, but maybe he would give his indication that he'd like to inquire into this and perhaps come up with a policy to fix it, given the serious nature of the economic position women in Alberta find themselves.

Finally, I'd like to see a really strong commitment to core funding for shelters for Alberta battered women. I know that that's not the minister's department, that it comes under the Social Services ministry, but it seems to me that it's pertinent inasmuch as this minister is responsible for the Women's Secretariat. I'm sure that there's a lot of dialogue, or there should be in any event, between that secretariat and the new council and the various ministers who can develop policy which affects women in Alberta.

Similarly, Alberta women are asking for child care standards. There's no such thing as getting through everything. I know the minister's budget is extremely small given the magnitude of the problems that Alberta women face. I'd really like an explanation of why it is so grossly small — not only why it is that we've got relatively few people working on analyzing the problems that are specific to Alberta, but why it is that we've got so few people ready to work to make recommendations to the government to fix the problems and, finally, why it is that we're reinventing the wheel with respect to problems that we know so seriously exist. I wouldn't mind a comment from the Premier with respect to the priorities and planning committee in this regard as well.

Thank you, Mr. Chairman.

MR. ANDERSON: Mr. Chairman, I'm pleased to have the opportunity to answer some of the questions raised by the hon. Member for Edmonton Highlands. I would say at the outset that while I don't totally agree with the state of the situation as outlined by the hon. member, I do share the concern with respect to the wage gap that exists in the province and with respect to all areas where we don't yet have full and equal participation by women in the work force and in all aspects of our way of life in the province of Alberta.

I should reaffirm, though there should really be no need to do that at this stage, that the government believes fully and completely in that equal participation, affirmed that further in its changes to Human Rights Commission legislation last year, and is committed to actively moving towards a full participation in all respects.

With respect to the hon. member's first question about the title of vote 4, co-ordination and advice respecting women's issues, I appreciate that comment and, indeed, that's one of the few areas that I didn't look at and consider in terms of what potential problems there might be. But I will take that under advisement and look at whether or not the title correctly identifies what our goals and objectives are for next year's budget process.

The questions by the hon. member were numerous. The size of the budget was, I believe, the next question that the hon. member addressed herself to, indicating that she was concerned about the lack of funds that are there. I should draw attention to hon. members that the budget estimates represent a 69.1 percent increase over last year. The majority of that is for the advisory council, which the member keeps alluding to and which we are committed to. Legislation establishing it will be introduced during this sitting. I'm sure the member wouldn't want us to introduce legislation that hadn't fully taken into account the views of women since the introduction of Bill 7 in the previous Legislature, and we're doing that. I hope to have that Bill into the Legislature likely by the end of this month.

I should mention as well that the budget estimates, together with the very significant increase this year and the significant additional commitment to dealing with women's issues in the province, should not be considered the total sum of what the government is doing with respect to women's issues. Indeed, I could point to a good additional \$500,000 directly that is spent in terms of our personnel administration office in program upgrading and so on, though that would be more appropriately dealt with by other hon. ministers, as would line co-ordinators in each department who are responsible for trying to help women in the departments find out what additional jobs are there and how to progress and move up the lines of authority to jobs they might choose if they have the information and the available training.

Of course, additional programs — one just recently announced in the Speech from the Throne respecting the hon. Minister of Manpower's department with respect to the women's career development centre. There is a myriad of approaches and programs from across the government front bench and the departments that they represent; it's not just the amount of money that's allocated in this particular vote.

Since I didn't have the opportunity to make some opening remarks, I should say I'm very proud to work with the secretariat and feel we have some excellent individuals who are committed to progressing the cause of women's equal opportunities in the province. If the Chairman would permit, I'd like to introduce Dr. Sheila Wynn, who is executive director of the Women's Secretariat. She's in the gallery this evening. I might say that they've been particularly kind in helping me to adjust to a first-time portfolio and in bringing me up to speed with respect to the issues that have to be dealt with.

Mr. Chairman, the member correctly addressed herself to the wage gap, the 64 cents out of a dollar that women make as opposed to men. There are a lot of studies trying to find out why that's the case, and I certainly don't have any definitive ones. The Fraser report in British Columbia suggested that it was because of childbearing and childrearing, time away from the work force in that respect. Other reports out of Ontario suggest that it's a myriad of factors ranging from unionization through to discrimination and a number of factors in between.

In this province one of the factors relates to and really opposes, I suppose, the member's near last statement, that unemployment was one of the key jobs for women. The fact is that we have the highest participation rate of women in the work force in the country, and I think the kinds of jobs that we've had here as a result of the boom economy, with traditional male jobs in terms of development, possibly contributed to the disparity in the wage gap.

Regardless of what the reason is, however, there's no question that it's a major issue that we have to address,

one that we as a government have to assist the private-sector individuals in our society in trying to deal with. I think the Speech from the Throne this session identified unequivocally the government's commitment to moving in that direction with a governmentwide plan of action.

I might mention in that respect that this government has been participating actively and constantly in the meetings of ministers responsible for the status of women held across the country. In fact, I attended one of those conferences about a week and half after my appointment as minister and had an opportunity to discuss firsthand, with colleagues across the country who by and large face similar dilemmas to ours in most respects, what actions they were taking and to participate in some decisions which I hope will address at least parts of the problem.

There has been an ongoing intergovernmental working committee in terms of training and women in the labour force, and that is aimed at trying to deal with the potential solutions in advance of the First Ministers' Conference to be held in November, where we expect women's issues, particularly as they relate to women in the labour force, to be a main topic. There will be a further ministers' meeting in that respect, and there is the intergovernmental working group which we're participating in and, as a result of that, an interdepartmental working group just established, which will try and bring together the programs that we currently have and potential programs that will improve the situation here as well as develop some proposals for the Premiers and the Prime Minister to consider at that particular meeting. We have a number of other intergovernmental working groups respecting issues of particular concern to women in aspects of our society. We established two at that meeting, one dealing with immigrant women and the problems they face, another dealing with native women and the particular problems that are relevant to that part of our community. We have others dealing with child care and one that's completed that I will file a report on in the near future regarding wife battering and what has been accomplished at an intergovernmental level and in this government with respect to trying to deal with that very crucial and serious problem in our society.

In terms of the single parent and poverty, as the hon. member identified, I should say that that's at least partly why this government has a commitment to and spends more money on day care than any government in the country. We spend more, have more spaces available, and provide more easy access to women to ensure that they can get into the workplace and contribute in that respect in the way they want.

There is a problem there, though. The statistics which the hon. member indicated throughout her speech weren't balanced with the progress that has been made. Indeed, in every area that I can find statistics on there have been improvements in the amount of money that women make compared to men and in the number of women in management levels.

In our public service, and I guess I'm jumping to another question, we have in fact doubled the number of women in management ever since 1977. Those training programs that specifically deal with management development and supervisory development now have 42 percent participation by women from our public service, and while I'd like that to be 50 percent, it is indeed an improvement in terms of showing the direction that will be there in the future.

In addition, I think one statistic which shows the kind of future participation that women will have in the lead

roles in our society is that 52 percent of the graduates in baccalaureate programs at universities now are women, a dramatic increase over just a few years ago, and that graduates in the areas of masters' and doctoral degrees, while not quite 50 percent at this point, are increasing quite rapidly on a year-by-year basis. This province has provided the educational opportunities and the tools to encourage that to take place. In addition, I believe Athabasca University, which has the reputation of being one of the few long-distance learning places in the country, has in excess of 62 percent participation by women in the university.

MS BARRETT: I'd like to ask the indulgence of the minister to repeat the part he said about the 42 percent. It went too fast and I didn't get it.

MR. ANDERSON: I would, Mr. Chairman. I understand that of the programs we have in the public service in order to train potential managers and supervisory personnel, we now have 42 percent of that group as women participating, if that clarifies it.

In any case, Athabasca University, which [allows] women who are unable in other ways to go to university full-time because of children or other obligations to participate, as I mentioned, has in excess of 60 percent of participation by women. Their main area of study, and the hon. Minister of Advanced Education can deal with it better than I, is business and business administration. I guess the other interesting statistic to me is that of the businesses being formed in the province of Alberta, twice as many formed by women as formed by men are succeeding. I'm not sure why that is the case, but it shows the future leadership and potential that is there.

While I do believe we have to seriously address the deficiencies the hon. member addressed, I think there are statistics which show that this society is progressing, in relative terms as fast as societies change, fairly quickly. We're not satisfied with that. We want to move that faster and further. We want full and equal participation and are committed to that, but those are some positive things that we can look at along with the negative statistics the hon. member indicated.

I've probably lost some of the questions. I think I should leave homemakers' pensions to another minister to deal with. Obviously, questions such as that deal with the financial ability of the government, as do other questions the hon. member raised, saying that if we wait for financial ability, we'll never have change. Indeed, I guess that argument can be made in every department of government. We never have enough money for health care. We never have enough for social services. We never have enough to help small business. We don't have enough in culture to do all the things we'd like to do or that people would like us to do. But we are committed to moving and moving seriously in these areas and to helping the private sector to do that.

I think we have to look at public education and a number of other aspects dealing with stereotyping and the fact that we do have — and there's no question about that — a traditional ghettoization, as some people call it, of jobs and roles, where women are in certain sectors but haven't been encouraged as much as they should be to move into others. As I say, the progress has been significant. We're committed to making it move faster.

With those remarks I think I've generally answered the hon. member's questions, though I've probably missed a few specifics. If that's so ...

MS BARRETT: Equal pay for work of equal value.

MR. ANDERSON: Equal pay for work of equal value. Mr. Chairman, that's a topic that I suppose could take us another hour or two. I don't think any fair-minded person could be against the concept of people being paid what they are worth. I don't know how anybody could disagree with that concept. However, in terms of the way it is being applied, be it in Manitoba, Ontario, Australia, or several European states, I have concerns about the effect on the economy, the effect on jobs, and the ultimate effect on women in that respect. I will be watching and have asked the Women's Secretariat to carefully watch the Manitoba experiment in that respect.

I'm willing to consider anything that would assist us in reducing the wage gap and increasing the opportunities. But I have to say that pay equity, as defined in some of those experiments, at this point leaves me with some concerns, and I've yet to be convinced that that's our answer. I think we have to look aggressively and seriously at other aspects. We will consider all alternatives, including pay equity or, depending on how you define it, equal pay for work of equal value. But those questions would have to be answered first.

MR. CHUMIR: Mr. Chairman, I propose to speak on two topics this evening, both relatively briefly. In the reverse order of intention, I propose to say something about professions and occupations, which I believe is the bailiwick of the hon. Minister of Labour. By way of preview I might note that I will be calling upon the government to provide for greater public input into and disclosure of the affairs of professions. I will also be asking the government to consider amending the manner in which it regulates professions so that there is greater fee competition between members of professions and particularly so that advertising by those members of professions who wish to advise the public of their fee structure is possible. That is the preview with respect to professions and occupations.

On the other end of things, Mr. Chairman, I would like to ask the hon. Premier a few questions with respect to the oil and gas situation in this province. I wonder, Mr. Chairman, whether I might seek some direction at this stage. I have some questions of the Premier, and then I would like to address some comments to the hon. Minister of Labour. Would it be appropriate to direct my questions and comments to the Premier, get some answers, and then to the hon. Minister of Labour?

MR. CHAIRMAN: In his opening comments the hon. Premier made reference to the fact that each minister or member responsible for the vote in Executive Council could be asked questions. I am not certain whether or not you should attempt to wait for them to answer. I would suggest that you pose all your questions to those individuals at the one time.

MR. CHUMIR: I'm directing part to the Premier and part to the hon. Minister of Labour.

MR. CHAIRMAN: I would suggest that you address all your questions not at the same instant in time but chronologically.

MR. CHUMIR: Fine, Mr. Chairman. To the hon. Premier, we have had a refreshing although somewhat disturbing

admission that section 9 is probably included in the Western Accord to protect the interests of the federal government and the consumers from price increases. I'm very interested in that. Clause 9 of the Western Accord states:

In the event of international oil market disturbances that result in sharp changes to crude oil prices, with potentially negative impacts on Canada, the Government of Canada, following consultations with provincial governments, will take appropriate measures to protect Canadian interests.

I note, Mr. Chairman, that the section does not refer to the event of a price rise only. It refers to "sharp changes." I would be very interested to know whether or not that clause was put in there with the intention that it would in fact protect Alberta as well as the federal government, notwithstanding the use of the terminology that it was there to protect Canadian interests. If the answer to that is yes, that it was inserted as a potential protection for the province of Alberta, it would be very interesting to hear about when the clause would be invoked if not now. Is it the intention or the interpretation of the government that it may ever be invoked by the province of Alberta?

On the other hand, Mr. Chairman, it is possible that the clause was put in only for the protection of the federal government. I believe the Premier has perhaps admitted that. It seems to me then that even if one agrees with the concept of deregulation, surely one has to state that if there is a clause which regulates only the upside aspect of the transaction, which prevents prices from rising, then you're not in a situation of deregulation. It raises the question of why we have an upward lid on prices but not a protection in the event of a serious downside decline. Mr. Premier, why was there no clause protecting Alberta, particularly in light of the fact that we had what the Minister of Energy has described as a \$56 billion credit with the consumers when a price decline was indeed very foreseeable? Who was negotiating for the province of Alberta? To repeat, I might ask in particular: can the clause, in the interpretation of the government, be invoked to protect Alberta? Will it ever be invoked? If not, has the government asked the federal government to take clause 9 out of the Western Accord, and why not ask them to take it out if they say they're not going to use it in any event?

Insofar as deregulation of gas is concerned, I would like to make it clear that it is the position of the Alberta Liberal Party that this province should not, in fact, proceed to deregulate gas on November 1 of this year. In that regard we agree, probably not for the first time but perhaps relatively uniquely, with the former Premier of this province. We think it's time that some of the \$56 billion account with the consuming provinces be returned to this province.

However, that being said, what concerns me at this stage is that recent statements of the Premier have been extremely confusing and contradictory. On the one hand, we have the situation of the government entering into the Western Accord, which states that we're going to deregulate gas prices and that the market shall govern. I think the world understands that market governing means that the buyer and seller make the best deal they can and that if there's an oversupply, the price goes down. That's what deregulation is all about. However, in recent days we've been hearing the Premier say that the price is too low. If it's not fair value, the term he used, then we may not give permission for new gas to leave the province.

Mr. Chairman, how do you determine a fair price? One mechanism is the market. That's a deregulated mechanism.

If it isn't the market, it sounds to me like the government is going to determine what is fair market value, and that doesn't sound to me like deregulation. So the question is: are we or are we not deregulating? I think it's a mistake to deregulate. What we very much need at the present time is leadership from our government, not confusion and contradiction, and that's in fact what we have been getting.

In a technical sense, Mr. Chairman, as I asked the Premier earlier today in question period: what is the fair value which the government places on an mcf of gas at the present time before the government will allow removal? That has a practical application, because we see buyers and sellers of natural gas entering into contracts on a daily basis. If they're now listening to the Premier, they must be saying, "If the price is too low, we're not going to be allowed to remove it from the province." They then have to know just exactly what is that price level below which they will be refused export permits.

Finally, the shortest question in the history of my questions; and that is: if we're dealing with deregulation, what happens if the price of oil remains in the range of \$12 per barrel as it has in recent times? What happens if it remains there for a foreseeable period of time? Where do we stand in this province as a matter of policy on the concept of deregulation?

I believe that was six minutes. I would like to go on to make the points to which I referred earlier on the subject of professions and occupations which, as I indicated, I believe is within the responsibility of the hon. Minister of Labour. I note that there is a 58.4 percent increase in the operating budget allocated to that particular subject, and it's interesting to see this increase in expenditure in what should be an austerity year in light of the \$2.5 billion deficit. Accordingly, I hope that it reflects a realization by the government that we need to take a fresh look at the way in which we regulate the traditional professions in this province.

I would like to make it clear that, by and large, I believe that the professions act responsibly, and that most members of the professions in this province are dedicated to serving the public with quality, integrity, and fairness. The professions rank well compared to other occupations. However, I believe that we have moved beyond that era when members of the public were content to leave the professions to operate their own affairs without public input.

There's a strong feeling amongst large segments of the public that there is a strong public interest at this time to have more public representation on what have to date been almost totally self-regulating bodies. There is a belief that the public must know more about what have been considered to be internal matters of the professions and that reforms and improvements must take place in the delivery of professional services.

I would also like to make clear, Mr. Chairman, that I believe that there are many benefits to a community of having a profession involved in regulating the affairs of its members. Indeed, there is probably no adequate substitute for that in-depth involvement of the members of that profession in light of the complexities of professional occupations and the need for expertise in making judgments.

However, we have recognized the need for public input and monitoring by, for example, having members of the general public serve on the boards of some of the professions. An example is the legal profession, which has several lay members on it at the present time. The legal profession itself, voluntarily and without the need for the push of

provincial legislation, has taken several important steps to make itself more open and more accountable to the public, and for this I commend it.

One step which it has taken is that of allowing its members to advertise the fees they charge. The second step they have taken is that of publicizing the details of all serious misconduct of the members of the legal profession, including the names of offending lawyers. I understand that they are also reviewing the possibility of having disciplinary hearings held in public, provided that the problems with respect to maintaining client confidentiality are resolved, and I believe that they can easily be resolved by requiring the client to consent. I might note that this step has already been taken in the province of Ontario, in which the legal profession does hold open disciplinary hearings.

However, it will probably be a surprise and be considered to be a matter of some self-congratulation by this member of that profession to note that the legal profession stands out as a relative beacon of enlightenment in these areas compared to most of the other professions, which release almost no information on disciplinary matters and which in their codes of conduct prohibit professionals from advertising fees.

I do not propose to get into a long discourse on these issues, but I would state that I think that we are long overdue for amendments to our legislation which governs our professions, in order to do at least the two things that I've referred to: in the first instance, that of requiring maximum reasonable disclosure of disciplinary and related matters, which are of such importance to the public in selecting a professional who will represent them; and secondly, to provide for the right of professionals to advertise fees subject, of course, to the obvious need to prevent advertising which is misleading to the public or in bad taste.

Advertising as a practice which prevails in the United States. The legal profession in Alberta has practised it for a number of years now and has just extended the right of its members to advertise fees. The right to so advertise is desired by many members of other professions. It has the potential of lowering the cost of professional services to members of the public, and notwithstanding a number of obvious regulatory problems its day has come. It is only the laws of the province of Alberta, which allow professional associations to prohibit their members from advertising, combined with professional self-interest, which stand in the way of this enlightened development. So I would urge the government to act on these matters, Mr. Chairman. They are in finest tradition of free enterprise. They would certainly enhance competition.

There are many other areas relating to the professions which need attention, and I would briefly mention that of the midwives. We're one of the few countries in the world that doesn't authorize the use of midwives in a professional capacity in birthing. There is strong public demand for this. It makes sense, and it may even help us reduce medical costs. I would urge the government to respond positively on this matter as well.

I am prepared to sit down at this stage, Mr. Chairman, and would look forward with enthusiasm to the response of those to whom my questions have been directed.

MR. GETTY: Mr. Chairman, first, just before dealing with the comments made by the hon. Member for Calgary Buffalo, a question was raised by the Member for Edmonton Highlands: I'd like to confirm to her our commitment to a

priority on our priorities and planning committee agenda to removing the inequities which face women in this province.

Mr. Chairman, I wasn't sure until tonight, but I have checked and I should have known, whether the hon. Member for Calgary Buffalo was a lawyer or not. But with respect to all the lawyers in the House, he follows an old lawyer's trick, which is to try and build up a straw man, create an illusion that really isn't there, and then spend your time arguing against it. I've never read the books that you use — all of you, whoever you are here — in law, but it must be less than number one or something.

Dealing with clause 9 in the Western Accord, that the hon. member referred to, I didn't say that it wasn't there to support both the low side and the high side. It's stated just the way it is. You can read it as well as I do, and it obviously protects both sides. All I did was make a comment, because it was raised by the Leader of the Opposition, referring to the tradition in this country, Mr. Chairman, about the way some of these clauses are interpreted for the greater good of central Canada. But I do believe it was written to protect both sides. I wasn't involved in either signing or negotiating it, but I believe it was there to protect both sides. I don't think there's any justification for taking it out. I can't in any way follow the hon. member's logic to take it out. The only way there's logic is to first create the illusion he did and then say, "Having created my illusion, why don't you take it out to support my illusion?" I can't follow that.

We're not making contradictory statements about gas exports at all. As I said, our policy is clear. By the way, I'd like to correct. The other day I said it was a 30-year supply. The conservation board is now using a 25-year supply figure. First, protect the foreseeable needs of Albertans. Secondly, having done that, have the surplus available to all Canadians. Thirdly, if there is still a surplus, have that exported to other countries. We co-operate with the federal government in that regard. I don't see anything at all that's confusing or contradictory about that.

Secondly, when it comes to price, we believe in the market establishing the price. But we have the responsibility, and we're entrusted with it on behalf of the people of Alberta for the short time we're here, to ensure the resource is not wasted. It has been proven in the past that when you sell a resource below its value, you are wasting it, because it is used in a way almost with disrespect. If you get something that is very cheap, you treat it with disrespect and you waste it. So the clause is in our legislation and in the leases that before we allow the gas to leave the province, we must satisfy ourselves that it's not being wasted. Therefore, we will.

There has been a market established over the years by buyers and sellers. Sometimes they get badly out of whack. You asked: how do you decide on fair value? It's a tough judgment. But you make those kinds of judgments all the time. Mr. Chairman, I can remember once when we couldn't tell because things were changing so rapidly, and we asked the Energy Resources Conservation Board to tell us whether the contracts that were before them represented fair market value. They had a very extensive public hearing on that matter, and they reported that they weren't. They were substantially below market value. At that point, the government had the responsibility entrusted in them not to allow the gas to be exported at those prices. I don't know whether that's going to happen again. I don't know whether we would ever have to exercise that responsibility. I think any comments that we are threatening to turn off the taps, which

I find remarkable when I explain our responsibility like that, are completely misreading what I've said or accidentally distorting it.

MR. CHUMIR: Why say it?

MR. GETTY: Because it's our responsibility, Mr. Chairman. We have the responsibility to determine that. We will fulfill that. We've been entrusted to do that.

MR. CHUMIR: What's the current situation?

MR. GETTY: Now, now. You can't yell across the room. You know that.

Mr. Chairman, there should be no confusion in anyone's mind about the government's position on the export of natural gas and on exercising our responsibility on fair market value.

As far as deregulation, it's in the agreement. The agreement is not just between Alberta and the federal government; it's between the province of British Columbia and the province of Saskatchewan. So it isn't an agreement that would be changed lightly. It would be changed as a result of considerable thought, consideration, and negotiation. It is true that there have been changes brought on by the National Energy Board, changes brought on by the very nature of the fall in oil prices, and subsequent problems with natural gas prices, and those changes have to be considered.

What we've said in the House is that the agreement calls for deregulation on November 1, 1986, but these changes have caused concern amongst our industry and others. One group that has been cleared up tonight is the Liberal Party, and they've said they do not want deregulation. Well, fine. We'll take consideration of that because I respect their views. But there are a lot of views that have to be considered: the views of the province of British Columbia, the province of Saskatchewan, our industry, and the federal government. They are all being considered. That's why I've said to members before in the House that we're not blindly going on to that date and saying it's deregulation, but we have an agreement that says that, so until it's changed, that's the date of deregulation. But we are considering whether or not it should go on at that date. I don't see any contradictory statements there or confusion in the House. I don't know why the member made that point.

Mr. Chairman, I think those were the only points that the member directed to me, except for the point about people who are negotiating right now. Should a buyer and a seller negotiate or not? Obviously, I think they should, and he probably thinks they should as well. They should negotiate because if the seller is doing his job, he's going to sell it at fair value, and if the buyer is doing his job, he's going to buy it at fair value. Therefore, they're not going to have any problems with proving the export permits should the conservation board recommend them to us, so I don't see any problem there either. I just want the member to recognize that we have a responsibility, and we can't forfeit it because of an agreement. It does not change the responsibility that the government faces.

DR. REID: The inquiries made by the hon. Member for Calgary Buffalo have given me a chance to address the subject of professions and occupations in this Legislature, and I will try to be brief.

The first item he mentioned was the budget, and in that particular budget change there is allowance for the fact that for the first time the total costs for the operations of professions and occupations are now separate. Until this time successive ministers have had the responsibility, and much of the backup and some of the staffing were provided from the appropriate department, Education immediately prior to Solicitor General. It was felt that that budget should be a separate one and that not only the Health Disciplines Board should be under the Executive Council estimates but also the cost of running the rest of the bureau. That's the reason why there's a very much more significant increase in the salaries and wages. You will note that there is no increase in the number of people; it's just that the budget for their salaries has been transferred to professions and occupations.

There is one increase in costs, and that is associated with the development of the Professional and Occupational Associations Registration Act, which has only recently been transferred to my colleague the Minister of Consumer and Corporate Affairs as it was felt that it fitted in very well with the function of registering names under the Societies Act.

I'd like to mention briefly, Mr. Chairman, the staffing of the bureau and the great assistance they have given me in this responsibility. The responsibility for professions and occupations includes the Health Disciplines Board, chaired by Mr. Elvin Christenson, which deals with those health disciplines which do not justify freestanding legislation and are included under the umbrella of the Health Disciplines Act. Within the actual bureau itself the executive director is unfortunately leaving to go to British Columbia. I would at this time like to pay a special tribute to Mr. Bernie Doyle. He's not in the gallery this evening, but he has been a diplomat and a negotiator. I think he has sometimes had to be a little hard-nosed, but the assistance he's given me in the negotiations of new professional legislation and regulations has been very considerable. I'd like to compliment him and thank him for the service he has given to the people of Alberta in his role.

The whole function is quite a complex one. The bare bones are listed opposite vote 8 in the estimates, but those are only the bare bones of the function. The hon. Member for Calgary Buffalo went at some length into the details of the legal profession and how they deal with their members, but one has to remember that the legal profession, perhaps second to the medical profession, is the oldest of the true professions. There is one a little older than both.

The degree of maturity and sophistication and the financial capabilities of the different professional and occupational groups vary enormously. It is for that reason that we've developed a spectrum of legislation which ranges from registration under the Societies Act through the two umbrella Acts: the one has recently been transferred to the Minister of Consumer and Corporate Affairs, the Professional and Occupational Associations Registration Act; the other umbrella Act being the Health Disciplines Act. For other professions there is freestanding legislation, which in most cases does not include an exclusive scope of practice and in some professions does.

In relation to the stage of maturity of the profession or the responsibility or the risk to the client or patient, the degree of self-governance varies as well. Under the umbrella Acts there is considerably less degree of self-governance and independence than there is under freestanding legislation. I think that's only as it should be, because as I've said,

professions vary in their maturity and in the risk that there is to other people from their professional responsibilities.

I have some difficulties with some of the opinions expressed by the hon. member in that when we as a Legislature give through legislation the responsibility and authority for self-governance — we do that in varying degree — we should, if we have any degree of respect for and trust in those professional groups, not be always interfering in their internal matters. It is for that reason there are really three levels of regulation in the broad term. Those are the statute, the regulations passed by order in council, and the bylaws of the profession. There are some relatively antiquated pieces of legislation which still require bylaws to be passed by order in council, but it's my hope that we will get rid of that requirement in the near future for those groups.

For the other groups, when we pass the legislation and the subsequent regulations by order in council, we are in essence saying to those professions where it is justified: you set your own bylaws; you don't come back to government or the Legislature, and as long as you perform your duties primarily for the benefit of your patient or client, we will and should stay out of your internal affairs as a profession. Having had discussions with most of the professions in the first three months of my tenure of responsibility, I can assure hon. members that that approach is well appreciated by the professions, and thus far I have seen little if any indication for changing that trust on the part of the Legislature and the government.

That doesn't mean that everything goes smoothly all the time. There are problems of what has been called the territorial imperative or turf or jurisdiction. There is no doubt that there are considerable overlaps between many professional groups. It is much better that those overlaps are left for discussion between the groups than that the Legislature or government should interfere any more than is necessary in those relationships. Certainly the expertise that each given professional occupation has in relation to its own sphere of activity is much more considerable than that of most of the members of this Legislature. Although some of us may think we know more about our own individual professional groups, there are usually members of our own professions who know more about our profession than we do. The fact that we get elected to this Legislature does not necessarily give us the wisdom to over-rule the concepts that have been developed by long experience within the professions of what is reasonable and ethical behaviour by a profession.

That brings me to another point in legislation. I myself am uncomfortable with the concept of codes of ethics being approved by either the Legislature or the government by order in council. Surely if a profession has the degree of responsibility it should have if it is truly self-governing, it should be able to develop its own code of ethics and peer review and peer pressure. The internal functions of the profession should be enough to ensure that that code of ethics is kept and that it is renewed and reviewed as need be.

As the hon. member mentioned, most professions now have a public window in that there are public, nonprofessional members on their board of governors, their executive committee, or whatever it may be called in the given group. That is a concept that I think started some years ago voluntarily with the medical and legal professions and is now included in the architects', engineers', accountancy groups, and others. That window is not one that necessarily

is a responsibility to report back to the general public but rather to make sure that the attitudes of the general public are represented on the boards of governance. It's a system that works well. Of course, there is also the requirement for the tabling of a report in the Legislature by the minister responsible for the individual professions.

But there is more to self-governance than that. There is the necessity that the groups themselves have some control over educational standards, requirements for registration or licensure, the peer review process, and self-regulation. Those things are much better done by the professions themselves than by excessive legislation and regulation.

Discipline procedures — as the hon. member knows, being a lawyer — vary enormously from one profession to another. There is the procedure within his own profession where a complaint is investigated initially by a single benchler, who is a legal benchler, not a lay benchler, and if the complaint is felt to be justified, it then goes through a succession of procedures. If somebody is still discontented with the eventual result, they can of course still go to the courts in a civil suit. In other professions the arrangement is somewhat different, and it varies. But the disciplinary and complaint procedures, in my experience, have worked very well. Again, I have some difficulty in accepting that we should insist on specifics for one profession or another.

MR. CHAIRMAN: I hesitate to interrupt the hon. minister. The rules of the committee are informal, but we should afford the minister the courtesy of being heard.

DR. REID: Thank you, Mr. Chairman. I don't have the strongest voice in the Assembly anyway, and it's hoarser than usual.

In closing, in relation to the professions and occupations function, Mr. Chairman, I would just say that in the discussions and negotiations that I have had, along with the staff of the bureau, with a number of professions over the last 18 months, I have noticed that there is very definitely an interest in the groups' own interests. But by and large, I have found that the prime purpose of all professional and occupational legislation — that is, the protection of the general public, the client or patient — is in vast degree the primary objective of the professions and occupations I have dealt with.

Certainly the people of Alberta do have their complaints from time to time with individual members of the different groups, but by and large, I think we can say that the people of Alberta are very well served by all the professional and occupational groups that come under the jurisdiction of my responsibility. I think that most Albertans would find, if they went to other jurisdictions within Canada or in other countries, that the degree of responsibility of the individual professional and occupational groups is not always that that we have to come to expect and, indeed, have received from professional groups in this province.

Thank you.

MR. ANDERSON: Mr. Chairman, in view of the hour, I move that we rise, report progress, and request leave to sit again.

[Motion carried]

MR. CHAIRMAN: Members of the Committee, we are maintaining a list, which is the process we agreed to. There

are now 10 members on the list for when this department is called back.

[Mr. Speaker in the Chair]

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

MR. SPEAKER: Having heard the report and the request for leave to sit again, does the Assembly agree?

HON. MEMBERS: Agreed.

MR. ANDERSON: Mr. Speaker, before moving that we adjourn for evening, I should indicate to the House that as previously announced, Committee of Supply for tomorrow will be the estimates of Forestry, Lands and Wildlife, and on Monday, likely the estimates of the Attorney General.

[At 10:35 p.m., on motion, the House adjourned to Friday at 10 a.m.]

