

LEGISLATIVE ASSEMBLY OF ALBERTA

Title: Thursday, August 7, 1986 2:30 p.m.

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

PRAYERS

[Mr. Speaker in the Chair]

head: INTRODUCTION OF VISITORS

MR. CAMPBELL: Mr. Speaker, it is my pleasure this afternoon to introduce to you, and through you to the rest of the Assembly, a Progressive Conservative member from the Manitoba Legislature, Mr. Gil Roch. Mr. Roch is seated in the members' gallery, and I'd ask him to stand and receive the welcome of the Assembly.

head: INTRODUCTION OF BILLS

Bill 27

Alberta Health Care insurance
Amendment Act, 1986

MR. M. MOORE: Mr. Speaker, I beg leave to introduce Bill 27, being the Alberta Health Care Insurance Amendment Act, 1986.

Mr. Speaker, this Bill is designed to eliminate extra billing by medical practitioners who are participating in the Alberta health care insurance plan effective October 1, 1986.

[Leave granted; Bill 27 read a first time]

head: INTRODUCTION OF SPECIAL GUESTS

DR. WEST: Mr. Speaker, I'd like to introduce to you and through you Glenn and Marilyn Elford and Cliff and Connie Elford. Glenn is a professor of education at the University of Western Ontario in London, Ontario. They are visiting their son Cliff in Edmonton. I wish them to enjoy their Alberta stay and please rise in the members' gallery to receive the warm welcome of this Assembly.

MR. HYLAND: Mr. Speaker, I'd like to introduce to the Assembly three gentlemen from southern Alberta: the first gentleman, Peter Langeman, chairman of St. Mary's irrigation district; Casey Aasman, a board member of that district; and Jim Brown, their manager. I'd like the gentlemen to rise in the gallery and receive the warm welcome of the Assembly.

MR. NELSON: Mr. Speaker, I would like to introduce to you, and through you to members of the Assembly, four people, two of whom are from the constituency of Calgary McCall, Pat and Dale Sokolosky. They are working very hard in the community and are here participating with a couple of gentlemen that are organizing a trip of some investors from Hong Kong to Alberta: Mr. Collin Wong, from Hong Kong himself and now living in Calgary, and

Mr. Ken Stuart. I would ask that these four people rise and receive the normal welcome of the Assembly.

ORAL QUESTION PERIOD

Aryan Nations Camp

MS BARRETT: Mr. Speaker, I'd like to ask a question of the Attorney General. I wonder if he would outline what specific steps he is taking to ensure that the proposed training camp of the Aryan Nations set to go forth in southern Alberta will comply with the law, particularly with respect to the use of weapons, acts endangering public peace, and the dissemination of hate propaganda.

MR. HORSMAN: Mr. Speaker, the particular organization referred to by the hon. Member for Edmonton Highlands has come to the attention of the government in recent days through what I said yesterday was some excellent reporting work on behalf of the *Calgary Herald*. Of course, it has been observed before, going back as far as a year, in a report in the *Alberta Report*. Mr. Speaker, the organization in question is very small in the understanding of the government. As I indicated, it's a difficult balance as to how much attention one should pay to an organization espousing such odious beliefs as we've read about and heard about to make sure that we don't provide too high a profile that they are encouraged to recruit people.

Mr. Speaker, there are steps that the government will have to take to make sure that the laws of Canada are being properly and rightfully observed, including, of course, the Criminal Code, which would apply in most cases if, in fact, acts as have been reported upon might be advocated by this organization. I'm getting to a field of quite a hypothetical area, Mr. Speaker. I don't want to prolong it, but suffice to say in conclusion that the government finds the reported aims and objectives of the organization in question to be odious and not acceptable to Albertans.

MS BARRETT: A supplementary question. Mr. Speaker. I would advance that there's nothing hypothetical about what this government might be able to do. I wonder then if the Attorney General has consulted with the federal Justice minister to advise that amongst other plans the Aryan Nations has in establishing this camp, they would involve military exercises and drills and thereby violate the Criminal Code.

MR. HORSMAN: Mr. Speaker, I haven't had discussions directly with the Minister of Justice for Canada on this subject, but I have said and I repeat here that the creation of private armies in Canada is not an acceptable practice. In fact, to my knowledge it has not been engaged in except in a few isolated instances in the past — not in Alberta, however — and we will certainly do everything we can to discourage that taking place.

MS BARRETT: A supplementary question, Mr. Speaker, this time to the Solicitor General. I wonder if the Solicitor General has discussed with the RCMP any plans they or he might have for policing this particular establishment to ensure that the sort of violations I referred to in the previous question would not in fact take place.

MR. ROSTAD: Mr. Speaker, the RCMP detachment near the referred to location of Caroline is aware of the alleged

presence of this organization and has the area under general surveillance, as it would when there is suspicion of misdemeanors happening in any particular instance. I might also inform the Member for Edmonton Highlands that in the instance there were firearms brought into that location, the Solicitor General's department through the firearms control officer would in fact be investigating the situation and appropriate measures would be taken at that time.

MS BARRETT: A supplementary question, Mr. Speaker. I'd like to ask this final supplementary to the Minister of Municipal Affairs. I wonder if the minister has any plans to meet with the municipality involved here, Caroline specifically, to ensure that before the local planning permission for this camp is granted, the municipality will not be in breach of section 2 of the Alberta Bill of Rights by unwittingly authorizing the infringement of the rights of Albertans of all races to security of the person and protection of the law.

MR. CRAWFORD: Mr. Speaker, I have no information on what is proposed, and the municipality would deal with any questions of zoning or development.

MR. R. SPEAKER: Mr. Speaker, my supplementary question is to either the Attorney General or the Minister of Municipal Affairs. The formal name of the organization is the Church of Jesus Christ Christian Aryan Nations. My question is with regard to tax exemption for such an organization. Could either minister indicate whether consideration is being given as to whether or not this organization would be tax exempt relative to property in the province?

MR. CRAWFORD: Mr. Speaker, that is a question of a legal opinion. I do not have one.

MR. TAYLOR: A supplementary, Mr. Speaker, this time to the Premier. Has the government thought or are they willing to send a representative, possibly even from the Premier's office, to Caroline to get the government's reaction to construction of this camp and what is going on in the area?

MR. GETTY: Mr. Speaker, I've asked the hon. Attorney General to handle this matter, and I feel he will fulfill those responsibilities.

MR. CAMPBELL: Mr. Speaker, to the Minister of Municipal Affairs. Has there been any start of any construction on this particular site at Caroline?

MR. CRAWFORD: Mr. Speaker, I have not checked. In fairness, I think I should add that I have no information whatever that these people may have approached the municipality with.

MS BARRETT: Mr. Speaker, I would like to designate my second question to the Member for Calgary Forest Lawn.

Energy Industry Assistance

MR. PASHAK: Mr. Speaker, in the absence of the Minister of Energy my questions are to the Premier. Have the demonstrations by the oil workers today, both here and in Calgary, helped to convince the Premier that the situation

for the Canadian sector of the oil industry is serious and that there is need for new programs and actions, or is the government satisfied to leave stabilization of our economy to OPEC?

MR. GETTY: Mr. Speaker, as we've said in the House many times, and the hon. member has been here, we consider the problems facing the energy industry in Alberta and, for that matter, throughout Canada to be very serious. We have moved in a massive way to help in every way we can. We are considering, in addition, further programs. So I think it should be clear to the House that the government is doing everything possible to assist our energy industry.

MR. PASHAK: A supplementary to the Premier, Mr. Speaker. Could he give us some idea of what these new programs might be, especially given that some 80 percent of the rigs are idle?

MR. GETTY: Yes, Mr. Speaker. Last year we made a massive cut in royalties. This spring we made another \$100 million reduction in royalties, particularly to help small producers. In addition, we created an exploratory drilling incentive plan of \$300 million that would allow companies to have their exploratory drilling supported by the government in order that we have as much activity as possible. Then we created a \$200 million industry activity program. That program is helping in both development drilling and service work. In addition, we are working with the federal government, urging them to help our energy industry because it is a national problem, not just a provincial problem. And as I've said before in the House, we are also considering a stabilization program. I should also mention, Mr. Speaker, that we've assisted Syncrude, Husky, and Suncor.

MR. PASHAK: A supplementary, Mr. Speaker. Drilling exploration and service is very capital-intensive and involves a lot of debt. Has the Premier asked his government officials to do any study of the merits for small business in the energy sector of debt adjustment legislation, which provides a means of changing interest and repayment schedules so that Albertans stay in business?

MR. GETTY: Mr. Speaker, we are helping Albertans to stay in business in the ways I've already mentioned. We are not considering the representation from the hon. member.

MR. PASHAK: Mr. Speaker, a final supplementary. On Friday the Premier refused to confirm that the Suncor Burnt Lake heavy oil project was being abandoned. What information does the Premier have on the status and fate of this project?

MR. GETTY: Mr. Speaker, I've asked the officials of my office to obtain the information for me. I'll report back to the House when I have it.

MR. TAYLOR: A supplementary, Mr. Speaker, also to the Premier. Is the government now prepared to offer a low-interest loan package to small oil producers which could be paid back in the future when the price rises?

MR. GETTY: Mr. Speaker, there is a whole series of options which we are considering. I would say that that is one of the options. We are refining the proposals, and when

we select one and obtain federal support as well, we will present it to the industry and to the House.

Premiers' Conference

MR. TAYLOR: Mr. Speaker, this is to the Premier. With the first ministers' conference now less than a week away, Albertans have still to be informed as to what's really on the agenda and the position of the government on each of the issues. Will the Premier be discussing, for instance, an oil and gas price stabilization program with his counterparts?

MR. GETTY: Yes, Mr. Speaker.

MR. TAYLOR: That's nice to hear. So we'll get some co-operation. Is the Premier prepared to discuss the implementation of deficiency payments for farmers rather than the two-price system for wheat which would put thousands of our millers and bakers out of jobs, which is what his government has been recommending up to now?

MR. GETTY: Mr. Speaker, we've discussed both of those matters.

MR. TAYLOR: Going along, batting 0 for 2. Mr. Speaker, to the Premier, what areas of provincial control is the government willing to give up in order to strike the compromise referred to by the Premier and the representative for Medicine Hat in order to come to a working agreement for negotiating free trade with the U.S.? What areas of authority are you going to give up?

MR. GETTY: Mr. Speaker, that's hypothetical, and we certainly wouldn't telegraph it in advance.

MR. TAYLOR: It's nice to know he admits that everything's for sale in Alberta.

SOME HON. MEMBERS: Oh, oh.

MR. TAYLOR: Take your time, fellas. Don't get excited. You can get your turn at the pipe at times.

Will the Premier be discussing native and Metis self-government at the conference?

MR. GETTY: I think it may well be discussed, Mr. Speaker.

MR. HAWKESWORTH: Mr. Speaker, to the Premier, as far as the agenda goes, will the ratification process for a bilateral trade agreement with the United States be an item on the agenda of the first ministers' conference?

MR. GETTY: Mr. Speaker, I believe the matter of free trade with the United States, which is, of course, bilateral trade negotiations, and multilateral trade negotiations through the GATT series of discussions will all be discussed. However, whether a ratification formula would be discussed is something I would be uncertain about.

Energy Prices

MR. R. SPEAKER: Mr. Speaker, my question is to the Premier. Recent Statistics Canada figures show that while the drop in oil prices has been disastrous for Alberta, investment in the manufacturing sector of industry in Ontario, Quebec, and Manitoba has increased some 27 percent. Has

the Premier had any discussions with Ottawa which would indicate that this trade-off is the real reason for Ottawa's reluctance to help the oil industry and that federal action is unlikely so long as central Canada continues to benefit from the reduced oil prices?

MR. GETTY: Mr. Speaker, I've had discussions on the general topic with the federal government, and I have not had any indication from them that they are pursuing this with the idea of helping Ontario, Quebec, and Manitoba, as the hon. member mentions, and allowing Alberta to suffer.

MR. R. SPEAKER: Mr. Speaker, a supplementary question to the Premier. The federal government has received through various methods, specifically royalties and taxes, some \$56 billion through the national energy program. Has the Premier indicated this and, as well, the benefits to central Canada clearly to the federal government and indicated that at this point in time some of that money should be returned to Alberta in terms of royalty reductions or straight assistance to the industry in this difficult time?

MR. GETTY: Definitely yes, Mr. Speaker.

MR. TAYLOR: A supplementary, Mr. Speaker, to the Premier. Is the Premier going to try to enlist the help of the consuming provinces to work out a long-term plan guaranteeing supply for all Canadians that would envisage stabilized oil and gas prices over the next generation?

MR. GETTY: Generally, yes, Mr. Speaker.

MR. PASHAK: A supplementary to the Premier, Mr. Speaker. What specific demands has the Premier placed on his Conservative counterparts in Ottawa with respect to regaining that \$56 billion that was donated, in effect, to eastern Canadian consumers?

MR. GETTY: Mr. Speaker, we have of course, as all hon. members know, requested and had a considerable change to the national energy program. That was the program supported by the NDP and the Liberals, the two parties opposite, which was responsible for the removal of the \$56 billion, and we have had that changed. We are still insisting on removal of the PGRT. We are insisting on assistance of a long-term nature in tax depletion and other methods in which the federal government can assist our industry, and we are also approaching them on a program of income stabilization for producers in this province.

Farm Credit Stability Program

MR. ZARUSKY: Mr. Speaker, to the Minister of Agriculture. Could the minister, in light of yesterday's announcement that the Alberta farm credit stability program is in operation, indicate how many applications have been received to now?

MR. ELZINGA: Mr. Speaker, I can report that yesterday we received 73 applications and as of noon today we've received 125 applications. We're delighted that the farmers have been so receptive to our program.

MR. ZARUSKY: A supplementary, Mr. Speaker. Could the minister indicate when the first loans will actually be processed and approved?

MR. ELZINGA: Mr. Speaker, that will depend upon the various Financial institutions. As quickly as they can process them, we are sending out the verification numbers on a very speedy basis, but it's our hope that the first loans will be approved and the money will be available within two weeks.

MR. ZARUSKY: A supplementary, Mr. Speaker. Could the minister tell us whether financial institutions will have to work government hours, eight to four-thirty, in order to get these verification numbers, or is special consideration being given to keeping the Alberta farm credit stability centre open longer hours?

MR. FOX: Those are Tory hours, Steve.

MR. ELZINGA: Mr. Speaker, we're not going to keep the hours of the New Democratic Party. We're going to extend them as we traditionally have. We have instructed those individuals who are responsible for the information flow on the verification numbers to stay open from 8 o'clock until six. There is no noon hour break, and the hours will be staggered to ensure that the banking institutions will always have somebody available to them between those hours.

MR. R. SPEAKER: Mr. Speaker, a supplementary question to the Provincial Treasurer. It's with regard to the financial arrangements with the various institutions. Could the minister indicate what type of a fee schedule was established at the final stages of negotiation?

MR. JOHNSTON: Yes, Mr. Speaker. Last week we completed our negotiations with the representative of the financial institutions, and in doing so, we struck what we thought was a very good deal with the banking institutions in particular, who were the lead negotiators; that is, the spread on the deposits will be in the order of 2.375 percentage. As well, the government has agreed to pay a transaction fee for every loan. That, of course, will be a one-shot cost; it will not be over the 20-year period. On top of it, as I think hon. members are aware, in the case of rollover of loans with the same or similar institutions, where there has been a contractual obligation and there is some escalation of interest payments to allow a new refinancing take place, the government will cover the cost of those fees to that institution as well.

MR. FOX: Mr. Speaker, to the Minister of Agriculture. We measure our efforts in days and weeks, not hours and minutes. Will the ADC consider applications from producers who have been turned down by private banks for application under this program?

MR. ELZINGA: I'm sorry; if I heard the hon. member correctly, he said, "Will the ADC . . ." Is he talking about ADC or the farm credit stability program?

MR. FOX: ADC. Will they end up taking applications from farmers who were turned down by banks?

MR. ELZINGA: The ADC traditionally has been the lender of last resort for this government, and that tradition will continue. The hon. associate minister is the individual responsible as it relates to ADC, and if she wishes, I'm sure she would like to supplement that.

MR. TAYLOR: A supplemental, Mr. Speaker, to the minister. In view of the fact that the lending institutions are the final arbiter as it stands now, will the minister consider setting up a review committee or an appeal committee just to look at those instances where it appears the applicant may think he or she has been discriminated against unfairly?

MR. ELZINGA: Mr. Speaker, the criteria that we have given the bank, through the excellent negotiations by the Provincial Treasurer, have expanded the traditional lending patterns of our financial institutions to the extent that a farmer can borrow up to 100 percent of their equity. In the event that they have any loans outstanding, they can roll the entire amount up to a maximum of \$200,000. I would hate to involve ourselves in that type of an appeal process, because the financial institutions are the best ones to operate that. Just to underscore what I have said, I think it would be very unwise for there to be political interference as it relates to the lending criteria, rather than involving ourselves in the regulations that we have given to the banking institution. I'm sure the hon. member is not suggesting that we as politicians become loans officers.

Genesee Power Plant

MR. EWASIUK: Mr. Speaker, my question is to the Minister of Transportation and Utilities. Given the continuing high unemployment rate in the province of Alberta, the ever-increasing costs for the city of Edmonton, and the fact that Edmonton Power is the only company operating without a low-cost fire plant, will the government be rescinding order 380/85, which ratified the Energy Resources Conservation Board recommendation on the commissioning of Genesee 1?

MR. ADAIR: Mr. Speaker, number one, relative to the rescinding, we don't have any plans for that at this present time, but I should also qualify that. In July 1985 a letter was sent to the city council, and I do believe the hon. member was a member at that time, which outlined the opportunity for the city to borrow some \$300 million and for them to proceed at their will and with their wish with the project as they saw fit. The commissioning date for the project has not changed at this point in time from what the ERCB planned back in 1985, and that is still October of 1989.

MR. EWASIUK: A supplementary, Mr. Speaker. I believe that's a cop-out on the part of the government. I think the people of the province expect the government to fulfill its responsibilities. Will the minister even ask the ERCB to review this matter once again, especially in view that the new power projections, which will be available shortly, suggest that perhaps there is going to be a shortage of power?

MR. ADAIR: Mr. Speaker, I would assume that the last part of that is somewhat hypothetical and outside the ballpark. What I would be prepared to do, though, [interjection] — you're out there playing in left field, I believe — is indicate to all the members that when that letter did go out, there were a number of options available. The city has not responded. If I may just quote from part of it:

The City will be free to manage the pace of construction of the project, including scheduling of work, with the

knowledge that financing is available on the lowest-cost basis.

MR. EWASIUK: A supplementary, Mr. Speaker. Of course, the minister is aware that the city did respond. You know we couldn't proceed in spite of those conditions. Will the minister undertake for the Assembly that the government will assist the city of Edmonton in underwriting the unfair costs that have been imposed as a result of provincial policy?

MR. ADAIR: Mr. Speaker, I have some difficulty with the inference of an unfair cost. As I understand it, once the project is commissioned — that's in October of 1989 — the costs of that particular plant will be borne by all the citizens of Alberta. If that's unfair, I'd like to know what is fair.

MR. EWASIUK: A supplementary, Mr. Speaker. Will the minister at least give the Assembly the assurance that the government will not permit any further deferrals in the construction dates of Genesee 1 and 2?

MR. ADAIR: I just want to make sure: Genesee 1 and 2? Unfortunately, the commissioning of the plants is in reverse order. Genesee 2 is the one that is slated for October of 1989. My understanding is that the ERCB, the energy conservation board, and the utilities planning board are constantly monitoring the requests for power at this particular point and will be coming to us with a report later on this year.

MR. TAYLOR: A supplemental to the minister. In view of the tremendous drop in natural gas prices in the last year, have there been any studies conducted by your department as to whether or not these new coal plants coming on might be better to use natural gas until the price gets back to a certain level?

MR. ADAIR: Not to my knowledge, Mr. Speaker.

MR. BRADLEY: A supplementary question, Mr. Speaker. Could the minister confirm to the Assembly whether the city of Edmonton had the option to opt out of the Electric Energy Marketing Agency and therefore bear the full brunt of the costs of the power plant rather than having the people of the province of Alberta bear those costs? They could then proceed to construct the plant and have the benefit of the power. Could the minister confirm whether or not that option is available in terms of opting out of the Electric Energy Marketing Agency, which provides significant benefits to the citizens of Edmonton?

MR. ADAIR: Mr. Speaker, that option was provided to the city of Edmonton in July of 1985.

Smoke-Free Workplaces

MR. CHUMIR: Mr. Speaker, to the Minister of Community and Occupational Health. Despite rising health care costs, this government has done little to encourage healthy lifestyle practices. It's now well documented that nonsmokers suffer a great deal of harm to their health as well as significant discomfort through breathing residual cigarette smoke — particularly in House committees. Will the government take steps to legislate the right of all employees to work in smoke-free workplaces?

MR. DINNING: Mr. Speaker, I don't have time to take issue with the preface to the member's question except to say that the good health promotion programs of this department and of this government are something we can all be very proud of. As for the smoking and nonsmoking matter, as a nonsmoker I certainly welcome the representation of the member and would encourage you to continue to talk to all of our colleagues in the House about that very important issue.

Not to take the matter lightly, I am concerned about the health effects of secondary smoke. It's something that our people are certainly looking at very carefully. As for legislating that thou shalt not do it, it's not the practice or policy of this government that we are going to legislate all of the practices in the workplace right down to some of those kind of fine details. I think it's incumbent upon workers in the workplace to practice that self-discipline and consideration of others.

MR. CHUMIR: Perhaps I might direct a question to the Premier with respect to the government's own employees. Will the government take steps to implement the right to a smoke-free atmosphere as a policy for its own employees so that they won't have to work in an unhealthy environment?

MR. GETTY: Mr. Speaker, I will consider the hon. member's representation.

MR. CHUMIR: So he won't feel neglected, to the Minister of Hospitals and Medical Care. Has the government considered varying premiums for medicare based on whether a person smokes or not, in light of its concern about rising health care costs?

MR. M. MOORE: Mr. Speaker, I've considered varying them, raising them, decreasing them — a variety of things.

Might I just add while I'm on my feet that the Department of Hospitals and Medical Care implemented phase 2 of a no-smoking policy in the department effective July 2. That effectively eliminates smoking by departmental employees except in two designated lounge areas at our buildings both here in Edmonton and one in Calgary. We believe that if any department of government ought to show some leadership in this regard, it's the Department of Hospitals and Medical Care, and that's just what's intended. We'll be sharing our experiences with other ministers and deputy ministers so that they, too, might in the future consider such a policy on a voluntary basis department by department.

MR. CHUMIR: Congratulations to the minister and his department. Has the enlightenment spread to any other of the departments, or is he the only man in the regiment out of step?

MR. M. MOORE: Mr. Speaker, it's an important question. When you move in such a restricted way, I believe it's important that you have the full support of the employees. I think no other department could expect any better co-operation than the Department of Hospitals and Medical Care. I would like to think that it will take some months for us to be able to say that we have completed our policy in such a way that it could be useful to other departments in terms of implementation. We'll certainly be sharing that with them.

I might advise as well that most of the hospitals in Alberta have either moved already or are in the process of

moving in the same direction of having a smoke-free environment throughout the entire hospital with only designated sitting rooms being available for smokers.

MR. WEISS: If I may supplement to the hon. member's question, I'd like to report that the Department of Recreation and Parks will also be implementing the same policy on September 1. This has been in planning for some time.

MS BARRETT: I'd like to ask a supplementary of the Minister of Hospitals and Medical Care too. Just a moment ago in response to another question about medicare premiums he said he was considering raising, lowering them, and whatever else. I'd like to ask: is the minister considering eliminating health care premiums altogether?

MR. M. MOORE: When the hon. member of the opposition will come up with an effective way of replacing that revenue, I'd be pleased to consider it.

First Commonwealth Securities

MR. McEACHERN: Mr. Speaker, my questions are to the Minister of Consumer and Corporate Affairs. Yesterday the Alberta Securities Commission extended the suspension of First Commonwealth Securities' trading privileges indefinitely. What will be the procedure for assisting the investors and the brokers that have some \$10 million tied up by this move?

MISS McCOY: Mr. Speaker, just to set the record straight, my understanding is that the decision of the Securities Commission yesterday was to extend a temporary suspension of a registration for a period of some seven days. They will reconsider that on August 14, which is next Thursday.

The other part of the member's question had to do with the investors and clients of First Commonwealth. I could advise that there is a receiving manager in operation at First Commonwealth so that the assets of the company are being preserved. There are also steps being taken by the national contingency fund and the Stock Exchange as well as the Securities Commission which will, in due course and in as timely a fashion as possible, clear out the property belonging to the clients of First Commonwealth.

MR. McEACHERN: A correction: it was an interim suspension all right, but it was not assumed that the commission had to reassess their case. The onus was on the company to have the order reversed on the 14th, not on the commission.

Mr. Speaker, a supplementary question. On Monday of last week the minister said that investors would not have their money tied up until the hearings on this issue were completed. These hearings may go on for several months or years. Will they be tied up that long? Will the investors' and stockbrokers' moneys be tied up until those hearings are over?

MISS McCOY: Mr. Speaker, it seems to me that I'm being asked a question that I cannot answer insofar as I don't know when the proceedings in total will be over. My information is that the clearing process, by which those clients who wish to retrieve their securities or their cash on account, will be dealt with as expeditiously as possible. That may take some weeks, but it will be done just as soon as is humanly possible.

MR. McEACHERN: A supplementary, Mr. Speaker. Given the decade of problems that investors have had with the Securities Commission, will the minister expand her investigation into the regulations concerning blind pools and insider trading?

MISS McCOY: Blind fools are asking questions, did I hear?

MR. McEACHERN: Blind pools.

MISS McCOY: The proposition that the hon. member prefaced his question with is one that I simply cannot accept. I do not believe investors are having problems with the Securities Commission. Given that that is understood, let me address the question which was, I believe, a review of the proceedings for blind pools and insider trading. As the hon. member probably knows, those have been reviewed by the Securities Commission. The operation of them is being reviewed by both the Securities Commission and the Stock Exchange. It would appear at this point in time that the rules themselves are not what the problem is. In fact, there are many instances in which the procedures have been used by other companies and nothing seems to be amiss. By the same token, the practice is being monitored on a constant basis, and given some experience with it, the commission and the Stock Exchange will be putting forward final recommendations.

MR. McEACHERN: A final supplementary. Page 18 of your last release did say that the commission was not reviewing the insider trading. There were some four or six pages of insider trading information which has not been reviewed by the Securities Commission.

My last question is: since First Commonwealth was the major Alberta-based brokerage firm on the Alberta exchange, what plans does the minister have to develop and strengthen the presence of Alberta-based brokerage firms on the exchange now that First Commonwealth is out of commission?

MISS McCOY: Mr. Speaker, the member is making a value judgment, and I would like to know which other Alberta-based brokerage firms he is comparing to ... [interjections]

MR. SPEAKER: Hon. minister, hon. Member for Edmonton Kingsway, the Chair hesitates to interrupt, but as has happened in the past two weeks, question period is not a time for debate and giving further information. It's a matter of framing the question and hopefully receiving the answer. Standing Order 13 (4)(b) was pointed out to one of the other members of that same caucus:

- (4) When a member is speaking, no person shall ...
 - (b) interrupt that member, except to raise a point of order.

The Chair brings it respectfully to the attention of the House that question period is indeed for questions and answers, not for continued debate. Hon. minister, please.

MISS McCOY: In terms of economic development in Alberta and capital formation, needless to say I am and this government is very interested in encouraging the efforts of Albertans, particularly in view of the world trading opportunities that more and more of our citizens are entering. We are fully behind any endeavour of that sort.

MR. MITCHELL: A supplementary, Mr. Speaker. In response to the minister's statement concerning an interest in inter-

national economic and financial activity, could the minister please indicate why this government did not become successful in getting the privilege from Ottawa to undertake international banking in this province, as B.C. and Quebec did?

MR. SPEAKER: The Chair points out to the Member for Edmonton Meadowlark that the question really is somewhat divorced from the original line of questioning. The Chair, however, will recognize the member to come up if there's time at the end of question period to frame this new avenue of questioning.

Amusement Ride Standards

MR. SIGURDSON: Mr. Speaker, my questions are directed to the Minister of Labour. Evidence presented at the Mindbender public inquiry last week included a letter from a senior official in the minister's department warning that some catastrophe could occur due to the lack of time and personnel to perform effective maintenance on that Mindbender. Can the minister advise the Assembly what information was then provided by Fantasyland staff that assured the department that corrective measures were being taken?

DR. REID: Mr. Speaker, I'm quite sure that the commissioners of the inquiry will follow that up during the further process of the inquiry, and those facts will be brought out of the inquiry.

MR. SIGURDSON: This is separate from the inquiry, Mr. Speaker. Did the letter that warned of the disaster ever come across the minister's desk?

DR. REID: It didn't come across my desk, Mr. Speaker.

MR. SIGURDSON: A supplementary, Mr. Speaker. Is the minister or the department currently reviewing all of the rides at the mall to ensure that there are no more disasters or potential for disasters?

DR. REID: Mr. Speaker, perhaps the hon. member isn't aware of the fact that after I went around the Fantasyland on a tour of inspection with senior officials, the whole operation was closed down for the first day and the other rides were opened sequentially as it was felt that they had been adequately inspected. Some of the rides were indeed closed for several days before they were reopened.

MR. SIGURDSON: A final supplementary to the Minister of Tourism. Given the safety record of certain amusement rides, will the Minister of Tourism undertake to meet with the Minister of Labour to ensure that there is an immediate change to improve the regulations regarding both the inspection and maintenance of amusement rides at Alberta tourist attractions?

MR. FJORDBOTTEN: Mr. Speaker, we're always concerned that everything that tourists who come to this province attend has adequate safety measures, but I think the Minister of Labour has answered that question. That's what the commission of inquiry was established to prove.

MR. TAYLOR: Mr. Speaker, a supplemental to the minister of telecommunications, the former Minister of Labour. Could he confirm whether or not the letter warning of impending

disaster came across his desk when he was Minister of Labour?

MR. SPEAKER: The Chair rules the question out of order. A minister cannot be asked questions with respect to a former portfolio.

International Banking

MR. MITCHELL: To complete my supplementary, Mr. Speaker. A credible brokerage industry is, of course, essential to accomplishing the kind of positive international presence that the Minister of Consumer and Corporate Affairs was talking about. Could the minister please tell us what steps she or previous ministers have taken to ensure that we will get the international banking privilege for financial institutions, including brokerage institutions, in this province?

MISS McCOY: Mr. Speaker, I don't think I'm in a position to answer all of that question, and indeed my colleagues may wish to supplement the answer. But let me assure the Member for Edmonton Meadowlark that we are very much encouraging any private individual who wishes to leap into this exciting economic future that we have ahead of us.

MR. SPEAKER: The time for question period has expired. Might the Assembly give approval to the completion of all questions with regard to this issue?

HON. MEMBERS: Agreed.

MR. SPEAKER: Opposed? Carried. A further supplementary? Thank you. The Member for Calgary Forest Lawn.

MR. PASHAK: I'd just like to set the record straight with respect to some comments by the Premier.

SOME HON. MEMBERS: Order.

MR. PASHAK: A point of order.

MR. SPEAKER: Forgive me, hon. member. Is this a point of order that is being raised at the end of question period?

MR. PASHAK: Yes.

MR. SPEAKER: The Chair would appreciate hearing the words "point of order" before the conversation takes place.

MR. TAYLOR: He did say it. You couldn't hear it for the yelling of the Treasurer.

MR. SPEAKER: Oh, I'm sorry.

MR. PASHAK: With respect, Mr. Speaker, I believe I did say "point of order." I'd just like to set the record straight with respect to some comments by the Premier. Although we expect to increase our number of seats from coast to coast, we were not the government and we were not the Official Opposition at the time of the NEP, so we could hardly be charged with bringing the NEP to the country. Furthermore, Mr. Speaker ... [interjections]

MR. SPEAKER: The Chair apologizes to the member for not having heard his earlier phrase, "point of order," but

the member has proceeded to convince the Chair that there is indeed no point of order.

There is a request by the Minister of Recreation and Parks to supplement information which was raised during question period on Friday. In this case the questioner, I believe, was Edmonton Highlands.

1988 Winter Olympics

MR. WEISS: Thank you, Mr. Speaker. In my absence on Friday, August 5, the Member for Edmonton Highlands raised a question pertaining to filming of the '88 Calgary Olympics. While the question may or may not be hypothetical, it certainly is deserving of an answer. While no decision has yet been finalized, as indicated by the hon. member — and I would like to note as well that no company has an inside track — there will be an invitational tender out shortly and all persons will have the opportunity at that time to submit their tender. The decision will be made at the end of the year. I'd like to quote Mr. Waters, who is the media general manager. He indicates in a recent press interview that the committee has a policy of looking to Alberta first, the rest of Canada second, and outside Canada third when obtaining goods and services and would do the same for contracting the official film. I'd also like to supplement that, Mr. Speaker. The Olympic promotion film for worldwide distribution was produced by an Alberta-based firm and is in production now.

MS BARRETT: Thank you, Mr. Speaker, for the supplementary information. I would point out that there was nothing hypothetical about asking what the plans were for the government in this regard.

I would like a supplementary question, though. The minister said that the committee has noted that they have an Alberta-first procurement policy when it comes to such contracts. If, in fact, an initial decision goes to a non-Alberta firm, do we have the commitment of this government and this minister in particular to go to bat for Alberta filmmakers to make sure that we are in the front running for that contract?

MR. WEISS: We would certainly want to protect an Alberta-based firm, but we must remember that dollars and cents do play a factor as well. We want to ensure that Albertans have the first opportunity to be employed and have the right to try and make their representation. But if there is a large dollar difference, it can't be borne by the taxpayer either, so we'll certainly review it at that time. Remember, the committee has the autonomy of decision-making as well. I respect their decisions and would certainly go to bat at any time for any Alberta-based firm, providing that it's competitive.

Question of Privilege

MR. SPEAKER: A point of privilege, I understand?

MR. TAYLOR: Mr. Speaker, on a point of privilege. I defer to the Speaker's characterization of my remarks in this House of August 1 and now rise under Standing Order 15 of the Legislative Assembly of Alberta to raise a point of privilege.

The legislative function of this House and we as its members have been impugned. On July 31 the Premier made a personal comment in the House against a duly

elected leader of the Alberta Federation of Labour, and such comments have no place in the proceedings of this House and constitute an affront to all bona fide organizations and their elected leaders who serve the province in so many ways. These comments may be viewed as a basis for the government's approach to the formation of the review committee on labour. In forming a committee to review labour legislation in this province, the government has excluded representation from the largest labour organization in Alberta. These comments undermine our function as legislators by evidencing a bias which will render the review impotent.

Mr. Speaker, if I may make a motion, I move that the House command the Premier to apologize to the members of this Legislature, to the president of the Alberta Federation of Labour, and to the people of Alberta for his unparliamentary comments on July 31.

MR. GETTY: Mr. Speaker, I don't believe my hon. friend has a point of privilege at all, but I will leave it to your judgment, as I always would.

I do wish to say, though, Mr. Speaker, that my dislike for Mr. Werlin that the hon. member is referring to is not based on his character or on his person at all. I don't know him that well. Rather, it is based on his comments that he is determined to create social unrest and violence in this province and that, in fact, he was declaring war on the province of Alberta. When people say that, Mr. Speaker, I don't like them. The hon. Member for Westlock-Sturgeon is a friend of mine. If he said that, I wouldn't like him. So it merely places it in context.

I must say that many members of organized labour in this province have called me to let me know that they disassociate themselves from the comments by Mr. Werlin, and it is unfortunate that he's supported by the NDP and the Liberals.

MR. MARTIN: Mr. Speaker, I think the Member for Westlock-Sturgeon raised a reasonable request. It's clear in *Hansard* what the Premier said. He always has trouble; he does one thing and then later he says he was misquoted, but this was in *Hansard*. The fact that the Premier is not big enough to apologize says a lot about the Premier, not about Dave Werlin. The honourable thing would have been to stand up and admit that you made a mistake instead of trying to justify callous, stupid remarks.

MR. R. SPEAKER: Mr. Speaker, I think it's very unfortunate that we get into this kind of debate in this Legislature relative to personalities and various things. But on the point of privilege, the privilege is relative to one person's attitude towards another who is a leader in the province. As the Premier has explained, as I understand it, it certainly is in terms of actions or reflections upon activities in this province.

One of my great concerns as leader of this party over here is the labour unrest that is presently going on in the province, and comments from the Premier or even from this side of the Legislature possibly stimulate that unrest even more. I want to say very clearly that as far as Mr. Werlin is concerned in terms of some of the tactics and those comments, they are unacceptable to me as well. Certainly when he professes to be to the extreme left of the political spectrum, that disturbs me even more. It is unfortunate that it comes into this House, because what it does is place a veil over the whole labour industry of this province, and there are many people in that labour industry that are not reflective of that man's philosophy. It's unac-

ceptable, and I think this matter should be closed at this point in time. [interjections]

MR. SPEAKER: The Chair is prepared to stand here all afternoon if need be.

The Chair appreciates the fact that notice was given by the Member for Westlock-Sturgeon to the office of the Speaker within the two-hour notification period which is set out in *Standing Orders*. The Chair also notes that the matter was initially raised on Friday last, first as a point of order, and it was on that basis that the matter was put over until a future date.

The matter of privilege has been raised. According to Standing Order 15(2),

A member wishing to raise a question of privilege shall give a written notice containing a brief statement of the question to Mr. Speaker and, if [applicable], to any person whose conduct may be called in question, at least two hours before the opening of the sitting.

The Chair understands also that this second portion of notice was not complied with at the appropriate time. However, in discussion with the Member for Westlock-Sturgeon, the Chair's understanding is that the notice was given in the hour previous to the opening of the sitting this afternoon.

In addition, we have now complied with subsection (6), which allows debate to appropriately be given within the Assembly, after which time the Speaker makes the decision as to whether or not a prima facie case of privilege does indeed exist.

The Chair has examined the record of Thursday last and the statement by the hon. Premier. Indeed, the Chair's view is that the statement as made was not unparliamentary; it was rather a statement of personal opinion. All members are referred to page 894 of *Hansard* of July 31, 1986. That then is seen as being the personal opinion of the Premier of the province in his personal capacity.

Another issue was raised, with respect to whether or not persons are protected. So it is that in *Beauchesne*, citation 321(3),

The Speaker has traditionally protected from attack a group of individuals commonly referred to as "those of high official station". The extent of this group has never been defined. Over the years it has covered senior public servants, ranking officers of the armed [forces], the United Kingdom High Commissioner in Canada, a Minister of the Crown who was not a Member of either House, and the Prime Minister before he won a seat in the House.

So if one takes into consideration this heading known as Protected Persons, that would not refer to the person referred to last Thursday in this Assembly.

Again, having reviewed the matter and listened to the debate and also made reference to *Erskine May* with respect to speeches in Parliament that are not actionable, the Chair rules that this is not a prima facie case of privilege. The matter is at an end.

ORDERS OF THE DAY

head: MOTIONS FOR RETURNS

MR. HORSMAN: Mr. Speaker, I would move that the motions for returns standing on the Order Paper remain there in the appropriate order.

[Motion carried]

head: MOTIONS OTHER THAN GOVERNMENT MOTIONS

214. Moved by Mr. Oldring:

Be it resolved that the Legislative Assembly urge the government to provide funding for research and planning for the establishment of multilevel care facilities for seniors and to work in co-operation with the private sector and municipal governments to arrange financing for multilevel care facilities for seniors.

MR. OLDRING: Mr. Speaker, I am pleased at this time to rise and speak in support of my motion, number 214. Before I get into the thrust of my motion, I would like it to be recorded that I recognize that the ideal situation for our senior citizens is to remain in their own homes for as long as they possibly can. Anything that we as a government can do to support this should be our first and foremost objective.

In this vein, Mr. Speaker, I want to compliment the Minister of Social Services for her efforts and for the new and expanded programs in her department which are targeted toward the facilitation of seniors in their own homes. These programs are numerous and include home care, home support programs, senior citizens' centres, adult day care, day hospitals, and respite care. Other programs outside the minister's department, all designed to help seniors maintain their own homes, include property tax rebates for senior citizens, renter assistance grants, home improvement programs, and the home heating protection plan. I want to stress again that our priority in this area should be helping seniors to stay in the comforts of their own homes for as long as they are able.

Having said that, Mr. Speaker, I recognize that there comes a time when the home environment may no longer be practical or possible. This fact makes it imperative that alternative levels of care, such as self-contained units, lodging facilities, nursing home facilities, and auxiliary hospitals, are available for those no longer capable of staying in their own homes.

We in this province can be very proud of the tremendous progress we have achieved in the area of senior citizens' care. In recent years, through intensive capital expenditures, we have developed some of the finest senior citizen facilities in North America. I make these remarks from experience. I have been involved with senior citizen programs and facilities in my community for the past 12 years now. I have served as a director of a lodge foundation and have also served as chairman of a board administering the operations of two senior citizens' lodges. I have served on the building committee for the Pines senior citizens' lodge in Red Deer, and I have also served as a founding committee member for our senior citizens' drop-in centre, the Golden Circle. I have also had the privilege of serving as the chairman of the preventative social services committee, now known as FCSS. So I have been active, I have been involved, and I do have an understanding.

Mr. Speaker, in those 12 years, through my personal involvement, I have witnessed tremendous improvements in the facilities, the services, and the support we have provided for our senior citizens. We do provide a lot, and we should. Our seniors have earned and deserved the best we can reasonably provide. But in spite of the progress there is more we should and could be doing.

The advantage of Motion 214, Mr. Speaker, is that it does not call for additional expenditures beyond the cost

of research. The motion stresses the need for better communication, better co-ordination, improved planning, and a lot of co-operation between existing departments and programs. The components of a superior system are already all in place. We have self-contained units. Lodges are being provided. Nursing homes are being added and auxiliary hospitals expanded. But it makes no sense at all to continue with the disjointed, ad hoc approach we have utilized in the past. Let's plan for it and co-ordinate our efforts through multilevel facilities.

Allow me to relate a situation we had in Red Deer which underscores this problem. Mr. Ernie and Mrs. Elizabeth Willis were an elderly couple living together in the Pines senior citizens' lodge. Mr. Willis' deteriorating health forced him to go into an auxiliary hospital, then a nursing home, and then back to the auxiliary hospital. His wife in the meantime remained at the senior citizens' lodge five to six miles away. Eventually the staff of the auxiliary hospital moved patients to make room for the couple, and after a lengthy separation Mrs. Willis was able to rejoin her husband at the auxiliary hospital. During this whole series of events Mr. Willis was forced, due to the separation of facilities, to endure not only his changed health but a series of moves involving changes in environment and a separation from his wife and his friends. Mrs. Willis' concern about her husband undoubtedly placed some strain on her which was added to by the physical separation.

This situation is an all too common occurrence in Red Deer. During my years of involvement we were confronted time and time again with the problem of juggling beds between lodges, nursing homes, and the auxiliary hospital.

Mr. Speaker, a multilevel care facility provides a good alternative to the physical separation of couples and friends as well as the shifting from one facility to another. Fortunately, in the situation I made reference to, through the kindness of the hospital staff and their unwritten policy to help elderly couples stay together, the eventual resolution of this situation was made, and they were accommodated. But provincewide policies that would apply in this situation do not exist. In the end a more costly auxiliary hospital bed was found for Mrs. Willis. Due to the lack of flexibility and the present delivery of services to the elderly, she is now in a facility that provides more services than she requires.

In Red Deer, Mr. Speaker, we had a tremendous opportunity, a golden opportunity. The late Norman Magee, a former MLA for Red Deer, worked hard to co-ordinate and try to establish a multilevel senior citizen facility. The relocation of our exhibition facilities provided approximately 35 acres of land in an ideal and choice location for senior citizens to live in our city. It was close to our Golden Circle drop-in centre, there was a recreation centre on site complete with a swimming pool, there was a regional museum right there, a skating rink, parks, and it was close to the regional hospital and the downtown. All the amenities that senior citizens could possibly require were there: an ideal area for a multilevel facility. All the parties involved agreed to that.

Norm Magee was doing everything within his power to make this a reality in Red Deer, as was Jim McPherson, his successor. The city of Red Deer itself plotted and replotted the site a number of times to try to accommodate the Alberta Housing Corporation. The regional hospital was supportive, and our Piper Creek Lodge Foundation, which operates a municipal senior citizens' lodge in Red Deer, was also doing everything within its means to try to facilitate

this and see this dream come to fruition. However, the foundation has been frustrated in its dealings with the various departments of government involved. The process of approval for land acquisition is lengthy and involves one department for approval and another for funding. Limited funds are available for both site acquisition and construction. The idea of a multilevel care facility has been under review. One roadblock after another has appeared.

Mr. Speaker, it is time to examine alternatives for the provision and delivery of housing and health care services to our elderly. The multilevel care facility involves combining under one administration the services of several types of facilities. We could combine self-contained apartments, lodging facilities, day hospitals, nursing homes, and auxiliary hospitals. The idea is to provide a continuum of care under one roof so that as the needs of the residents change, they can obtain the required services with a minimum of dislocation. They can remain in the same institution among their friends and with their spouses. Furthermore, they can retain their role in the community and have social contact with others who do not require the same level of care that they might.

[Mr. Deputy Speaker in the Chair]

Two examples of such facilities are the Baycrest Centre in Toronto and the Louis Brier Home in Vancouver. The Baycrest Centre for geriatric care is a one-site total care complex. It combines social and medical services, providing programs in preventative medicine, day care, residential care, therapeutic rehabilitation, and medical research. There are five different units integrated together: a home for the aged, which itself provides three levels of care; a hospital; a day care centre; a residence consisting of self-contained apartments; and a recreational centre. The Louis Brier Home in Vancouver has adopted a policy of providing care, regardless of type, to all residents for as long as they live or care to remain in the home. The administration and the staff are flexible, and the facility itself is designed to promote flexible arrangements. A range of health services is available to residents of the home side of the facility. If these become inadequate, the resident is moved to the hospital side while remaining in the familiar institution and among friends. Should his or her health improve, a move back to the home side is arranged.

Mr. Speaker, this is an opportune time for the government of Alberta to embark on research and planning for multilevel care facilities. Today we are facing the prospect of an aging population. It is estimated that by the year 2006 the number of senior citizens living in Alberta will have nearly doubled. Not only that, the average age of seniors is increasing. In 1981, 38 percent of the elderly were 75 years or older and 9 percent were 85 or older. By 2006, 43 percent will be 75 or older and 10 percent will be 85 or older. We must begin planning delivery systems that will be able to handle this growing elderly population, and we must also consider achieving greater cost efficiencies so that we can fund the services that will be demanded. Multilevel care facilities are an alternative that should be studied.

The idea of reducing the rigid definitions found in the existing system of providing care to seniors is taking hold. In 1985 a study of seniors' lodges conducted by the Health Facilities Review Committee concluded that a redefinition of the mandate for senior citizens' lodges is needed and that a new mandate should provide room for the delivery of a wider range of services including nursing care, day

care, and respite care. This government has acknowledged the need for better co-ordination of services of the diagnostic level. It is currently conducting a pilot project on single-entry assessment in Calgary and in the Foothills Health Unit. The goal of the project is to determine the effectiveness of a single point of assessment in preventing duplication of services and achieving greater efficiency of service delivery. The single-entry assessment services can be matched to the needs of senior citizens at a central point, and as the individual's needs change, they can move through the range of services available in the community. The idea of a multilevel care facility takes this co-ordination to another level, providing on a community basis a more centralized facility and administration for the actual delivery of services.

The idea has been advocated before. In 1982 the Nursing Home Review Panel recommended that as an alternative to institutions, the government develop multilevel continuing care facilities. The panel pointed out the benefits of such facilities. Five points: one, economies of scale in basic and specialized services, both capital and operating; two, the provision of a continuum of care, thereby reducing relocation trauma; three, provision of a continuum of care, thereby allowing adjustments of service levels to meet temporary changes and needs; four, allowing married couples to stay together; five, flexibility of design to allow long-term changes in the facility's role.

Mr. Speaker, Alberta does offer an excellent range of housing and health care services to its elderly. However, there remains room for improvement, especially in light of the need to expand present service levels over the next two decades and the need to get more for our money. Beyond these obvious material needs, there is what can be termed the human factor. It is psychologically distressful for a human being to be separated from family and friends for prolonged periods, to change residences, to relocate in new communities. For an aged person with deteriorating health, this stress will contribute to their health problems. Furthermore, it is almost cruel to expect an elderly person, due to his or her deteriorating physical condition and the way we deliver our services, to accept separation from a spouse of several decades and separation from the community he or she has called home for a similar length of time. For many, the separation will end only with death.

This government has tried to respond to this human factor. Over the past decade it has made a great effort to put lodges and nursing homes in smaller centres across this province. But there may be a greater effectiveness in the help we give our seniors if we use those facilities for multiple purposes, to provide as broad a range of services as possible.

Mr. Speaker, I want to conclude by giving you an example of how all this could be implemented. In Red Deer I had the pleasure of serving on the founding committee of the G. H. Dawe centre, and later was chairman. This particular facility was a joint development involving the city of Red Deer, the public school board, the separate school board, and the province of Alberta. As you can appreciate, it required a tremendous amount of co-operation. It required a lot of give and take and compromise by all parties involved, but it resulted in one of the finest community schools in the country today.

It started with the construction of a public school only; that was the first phase. Then there was the addition of a city pool, the addition of a skating rink, and finally the addition of a separate school: four distinct phases, four different construction periods, but each phase was planned

for right from the beginning. Instead of a city library, a public school library, and a separate school library, all requiring separate administration and staff, we now have the situation of one expanded library serving all three purposes. We have expanded school and community programs and a gymnasium that's shared by all. We have common administration. A modular approach, Mr. Speaker, and the taxpaying citizens of Red Deer were the real winners. A similar approach to the introduction of multilevel care facilities for senior citizens would be both expedient and economical. Everyone concerned could only benefit from such a project. It makes great sense.

Thank you.

MS BARRETT: Mr. Speaker, I rise to speak in a mixed version, actually, about this motion. The member moving it, the Member for Red Deer South, did not highlight what I think is one of the most important aspects of this particular motion, and that is that the instructions go for co-operation with both the private sector and municipal governments with respect to the financing of multilevel care facilities for seniors.

I happened to look back in *Hansard* and saw a number of references from my predecessors. The late Grant Notley, the opposition leader, the Member for Edmonton Norwood, and the Member for Spirit River-Fairview prior to the 1986 election raised this sort of issue over the years, looking for some sensible approach to the economies of accommodating the needs of our aging population. I regret to say that the responses they met with were something less than sympathetic. I am glad to see that a government member is sponsoring a motion to fly the balloon, so to speak, to make sense of the human needs that we will all experience in our old age and which are being experienced by seniors.

In the riding of Edmonton Highlands, for example, we have a number of seniors' complexes, one of which is the Chinese Elders Mansion, a wonderful complex full of apartments for people who are all of an ethnocultural background of similar nature, ordinarily implying the same language spoken. However, the problem is that when these people fall ill they end up having to be removed from the ethnocultural community in which they feel most comfortable, particularly because of the language consideration. This by itself imposes endless difficulties on the medical profession, whether at emergency departments in hospitals or in surgery departments and of course, as the Member for Red Deer South said, imposes a great deal of stress on the individuals when they need to leave their homes. My understanding with respect to the projected expansion of the Chinese Elders Mansion in Edmonton Highlands is that a request is sitting with the Minister of Hospitals and Medical Care, the Minister of Community and Occupational Health, the minister responsible for housing and the Alberta Mortgage and Housing Corporation to find ways to facilitate the development of this multilevel facility so that this might be the first of such facilities in Edmonton to incorporate what we may loosely call an auxiliary hospital with facilities for even day medical care, physiotherapy, and that sort of thing.

[Mr. Musgreave in the Chair]

However, the plan that is on board at the moment does not embrace any private-sector notion for the very astute reason. I believe, that there is no place for profit-making in the care of the sick or the elderly. [some applause] Thank you. The point is this: it's a very trying thing for the aging

sector of our population, particularly those who live on fixed incomes, to try to meet the bills they face from day to day, let alone face any additional charges which may be imposed by any private operator of a multilevel health care facility designed for seniors. Moreover, I think one has to take into account that, as the Member for Red Deer South noted, we are trying to be financially responsible with the spending of public tax dollars.

To that end I would argue that the best way we could do that with respect to health care for seniors is to make sure that we are not spending public dollars on padding the profits of private operators. Rather, what we should be looking at is whether or not we would want to actually improve the quality of care going to the seniors in a multilevel health care facility or look at ways by which the public sector itself could be more efficient, if that's the name of the game. However, with the advent of Extendicare company, a division — a very financially healthy division, I might add — of the financially healthy conglomerate Crownx, now having been awarded the contract to manage the acute care hospital at Athabasca, I have every reason to fear that private hospital management has hereby set its foot in the door and will continue to escalate in that direction so long as we have a Conservative government.

AN HON. MEMBER: What if it works?

MS BARRETT: If it works and saves people money, then one has to ask where the cutbacks are being made and whether or not they are being made to the adverse effect of the patients in care. A basic kitchen economist, let alone someone who's actually got training in economics, can tell any member of the House that there is no such thing as a free lunch and that if we are supporting any kind of private operator who is in the business to make money, somewhere along the line, in the nature of competition at its very fundamental levels, some cutbacks must necessarily be made, for there are only limited ways by which that competition can be sustained over a long period of time.

However, to return to the nature of this motion, Mr. Speaker, I think what would be wonderful is if the motion appeared without the reference to the private sector. I have noted all too often in this House and outside the House that those who wax eloquent about the importance of the private sector, including people who were formerly members of this Assembly or associated by high political appointments with government departments, seem all too willing to take up those very circumstantial offers to go to nice places like Los Angeles or London. So I don't know that government members are not necessarily speaking out of both sides of their faces on this particular issue.

There is another aspect I'd like to point out, Mr. Speaker, and that is the part about municipal government financing. You see, it has not escaped the attention of the members of the Official Opposition benches that over the last several years — in fact, since the onset of the recession, which really began in 1981 in Alberta — the municipalities have indeed suffered less and less financial support from the provincial coffers. In some instances that meant keeping up with inflation, and in many instances it meant not keeping up with inflation, so in fact real ground was lost to the municipalities. With the strain on municipalities and recognition by them that the fairer taxation form is in fact the progressive form attached to incomes as opposed to the flat form attached to property ownership, there is a certain limitation on the kind of money that municipalities can raise

and have a popular or public agreement in the name of the best public interest.

Therefore, I wonder what stipulations would be attached to this motion with respect to the municipal sponsorship of these programs. If it would be to have some of the portion now allocated by municipalities to public health facilities, public health clinics, and that sort of thing, that may be acceptable, but only if there were mechanisms to prevent the burden from falling increasingly upon the municipalities, so that they could continue to function in all the other capacities for which they are elected.

In conclusion, Mr. Speaker, I would like to wholeheartedly endorse the concept of multilevel health care facilities for senior citizens. The member sponsoring this motion noted some of the statistical information which points out the importance of integrity in health care for seniors, and I do support that. I particularly would like to point out my individual support as the Member for Edmonton Highlands for the particular initiative shown by volunteers who formed the board of the Edmonton Chinese Elders Mansion but would caution that as this motion gets closer and closer to becoming formal government policy, it be subject to rigorous debate and scrutiny with respect to participation from the private sector, upon whose onus I believe it is to prove that full-quality care can be given at a price absolutely comparable to public-sector delivery. With respect to municipalities, they too should have full and protracted participation in this discussion so that the mechanisms to prevent the burden of financial responsibility falling upon municipal shoulders is checked long before this motion ever goes into legislation and consequential regulation.

Thank you, Mr. Speaker.

MRS. HEWES: Mr. Speaker, just a few brief comments. I applaud the initiative taken on the part of the hon. Member for Red Deer South. As he has indicated, it's very obvious to all of us that the elderly population is growing, that it's healthier and more active than in former years, and that they are in fact keen participants in daily life throughout the province. They're very progressive people, and they're very productive people. Yesterday along with three other members of this House I had the pleasure of visiting with a particular society of seniors in the city of Edmonton, and they have much to tell us. I will certainly consult them on the matter that is before us today.

Mr. Speaker, I believe we have taken some modest steps through various district boards to provide multilevel facilities, not just for seniors, I would suggest, but for all who need this kind of care, some small amount of supervision. While I believe the member is mainly concerned with seniors, I hope it was not his intent to exclude those other people who need a similar type of care. I think we've had some modest successes. The general public is always astonished because for years they thought that we had combined jurisdictions and facilities and, in fact, we didn't. But we now have a number of excellent examples in the province of nursing homes, auxiliary hospitals and, in one or two cases, day hospitals that have combined with them, and some of them even include youth wings and wings for special care within those categories. They are working extraordinarily well. They're often built adjacent or contiguous to acute treatment hospitals, which also is a great advantage.

Mr. Speaker, I suggest that what we need here is a rationalization of the system already in place. There are

many parts of the system now in existence, but they're not connected. They're not connected legislatively; they're not connected administratively or physically. What we have to do in this province is have the will to make them connect. I believe we already have in this province direct or indirect government control, and I suggest that we have to have the will to make these changes legislatively, administratively and, in some cases, physically. I don't believe this is in fact an extraordinarily costly kind of rationalization. What we have to do is work with what we have, but make the changes at the top, from the administration.

I believe and submit, Mr. Speaker, that we need two things in the main, and these can happen fairly quickly. In the first place, I make a plea — and I've made this one before — for a single intake system. I see no reason it can't work. There is an experiment happening at present, and I believe it's proving its worth. This becomes most evident in our attempts to provide increasing support for the demands in home care. The single intake system would include all of those facilities, public and private, that are operated by or subsidized by the government and would include home care, day care for adults, lodges, seniors' apartments and developments, nursing homes, day hospitals, auxiliary hospitals, and I suppose to some extent even the connection with active treatment hospitals.

Mr. Speaker, the intake system we now have in place is not comprehensive. If you are perchance in an active treatment hospital and need some kind of extended care, it's not too difficult for you to get that through the social service department of that hospital, working with the community. They will help you get proper placement and proper services. But if you are not in an active treatment hospital, it becomes extraordinarily difficult for individuals or their families to know what is available and what is the best individual treatment service or mix of services that should be provided. I believe a single intake system, offering a service that would rationalize what we now have and make the best possible use, would have tremendous advantages for the individual and for our communities.

The other part that the hon. Member for Red Deer already spoke about is the redevelopment and integration of what we have now. I think that is a good and not extraordinarily difficult first step to make. Our lodges and some of our seniors' residences are well utilized. Others could provide much-needed facilities for adult day care and could certainly use better services for recreation, education, and other activities that might be provided for those who live in residence there.

I submit then, Mr. Speaker, that we do in fact have a lot of the pieces of the multilevel care system that the hon. member is referring to. Before we set ourselves into building and developing brand-new facilities, an initial step certainly should be some form of integrated intake and a redevelopment and integration of what we presently have, connecting wherever we can legislatively, administratively, and physically what we have at present. What we're all after here is to create an environment that will allow independence of decision-making, action, and activity.

DR. WEST: Mr. Speaker, I would like to address Motion 214 and support it in concept, intent, and direction, that being specifically to research and plan for the establishment of multilevel care facilities for seniors in this province. Although there is policy approach and even some facilities in that direction at the present time, as a rural MLA I will

approach the establishment of multilevel care facilities for seniors from that perspective.

I believe that in rural Alberta our needs and problems are somewhat different from urban areas, although the general approach in future consideration will be the same. There have been observable changes in our seniors and their needs over the past 25 years. By the year 2000, as said by the hon. Member for Red Deer South, approximately 55 percent of our seniors will be over the age of 75. Fifty to 55 percent of those seniors will live in rural Alberta, which means they will be considerably spread out per population in a greater geographic area. If you're concerned about the numbers, the seniors are referred to as over 65, and by that year there should be approximately 300,000 in the province of Alberta, depending on the migration of them in that time.

Seniors wish to remain independent in their own homes for as long as their physical and mental faculties allow. This is augmented by home care nursing services such as Alberta aids to daily living, Meals on Wheels, Homemaker and handyman services. For those seniors who prefer the companionship and social advantages of caring for each other and the freedom from responsibility for home maintenance and yard care, manors have been built in many rural Alberta towns. The people I have observed in the manors are mobile, independent, socially active, and exude an aura of well-being and satisfaction.

Mr. Speaker, by the time seniors find difficulty with living independently in manors, they more often than not require some form of daily care as well. They require supervision because mental or physical faculties or both no longer function well enough to take responsibility. For example, they neglect to turn off the stove, forget to eat regular or balanced meals, or cannot see or reason well enough to take medication as prescribed. They may also require nursing supervision in regard to hygiene and maintenance of good health practices. These people are now ready to move on in the system. In rural Alberta today this move would be into a lodge where meals would be provided on a regular basis, housekeeping would no longer be the responsibility of the resident, and laundry services would be available. But by the time people are unable to manage their own meals, they may require support in other areas as well. Therefore, a certain amount of daily health care support and supervision is often required. This is not provided in the present lodge levels, and if residents are ineligible for the lodge because of lack of independence, the result is empty lodge beds, as we find rurally in many instances today.

The hon. member said that the lodges are generally full at this time. That is not true in rural Alberta. There are vacancies of 30 to 50 percent in many areas. The concept of attaching the lodge beds to the health care facility, or at least building them in close proximity connected by a tunnel, addresses the best of both worlds. Residents are able and encouraged to maintain as much independence as possible, but are provided with the minimal professional care that they require. There is also a considerable amount of security and comfort to both the resident and the resident's family in knowing that access to the medical profession is easy and immediate in cases of emergency. In many cases rurally where they are freestanding in a separate town away from medical services, that security is not in place today for residents' families or the resident.

As time progresses, the levels of nursing care required would increase, and a resident may find that he or she

requires a nursing home level of care and even an extended care level. By having the facilities centralized yet separate for each level of care, people will not be required to endure major upheavals in their lives but rather a gradual progression in the level of health care.

Economic savings to the system would be both direct and indirect. Nursing home beds cost \$39.55 per day, auxiliary care beds are \$105 per day, and acute care beds cost \$293 a day. The patient pays \$16.25 per day at nursing homes and \$10 per day after the first 120 days in auxiliary care units; there is no charge in acute care units. What we see in rural areas where we have insufficient extended care beds is extended care patients backed up in our active treatment areas at great cost to the taxpayer. On the other side, we have nursing home beds also utilized by extended care patients, even though the nursing home is not adequately funded for patients requiring more than 1.65 hours of personal care per day, as opposed to the auxiliary patients which average three to five hours of nursing care per day. Coupled with this are lodges which are only half full because there is no level of nursing care. This leads to inevitable deficits, since a lodge also must run at full capacity to balance its budget.

Having the different levels of care served by a central kitchen, laundry, maintenance, and housekeeping services would be an advantage economically. When we look at the backup of extended care and nursing home patients together, the quality of life decreases. When you have nursing home patients and extended care patients living in the same habitat, there is a decrease in quality of life for the nursing home patients, who have a more independent position and are perhaps more in control of their mental faculties.

Again in economics, transportation for such services as physiotherapy, occupational therapy, and outpatient services would be eliminated. The use of dietetic services, which are not presently being met in many rural lodges today, would be enhanced. Outings and social activities would be augmented by having the different levels within easy distances for co-operation; for example, the use of handi-buses for outings, teas, bingos, and what have you. The close proximity would allow for more independent visiting between spouses whose quality of life is at a different stage. For example, a man in a lodge could walk over to visit his wife in the extended care unit two or three times a day. The resources of able and enthusiastic lodge people as volunteers to help those at nursing home and extended care levels could be tapped more easily, enhancing the lives of both the giver and the receiver.

An interesting projection is to take lodges, with their separate boards, out of the housing department and under new construction rename and relocate them in association with the department of hospital and health care complexes, enclosing adequate numbers of extended care, nursing home, and active treatment beds in such a complex.

The existing lodges will have to be modernized to provide the quality of life required with the extended-life patterns we see today; for example, larger living quarters and provision for more privacy and independence. That's what we do not have in many lodges in rural Alberta. They were built 25 years ago, and they did not address the aging factor in our society. Many of the rooms are very small, expecting that the person would be very mobile and independent, leaving the lodge at will. That is not happening today. Many of these freestanding lodges will in time be phased out, keeping in mind that 70 percent of the seniors in this province own their homes. With continued support

services, health, and independence, an increasing number will remain in their own homes until after their first move, which would be into a multicare system.

[Mr. Deputy Speaker in the Chair]

One other important aspect of the multilevel system would be the presence of day care for seniors. This day care would provide for people that require rehabilitation services daily or less who could be supported in their own homes in the evening or at night by their spouses and other members of their families. Day care would also enable the spouses to attend to their own medical, dental, and personal needs by providing care for their loved ones on days when they had appointments for themselves. This would encourage the couple to remain in their own home longer without it becoming an unmanageable burden for the functioning spouse. Respite service by the facility would allow the functioning spouse a little break or holiday, which is much needed when the burden is constant and draining, and would also enable a couple to remain independent for a longer period of time.

In closing, Mr. Speaker, I feel that in rural Alberta the people are very proud of their health care facilities. In some instances the hospital and its surroundings are the focal point of the town and take on a major importance in the town's well-being. I feel that the seniors of rural Alberta would react favourably towards the concept of multilevel care systems, especially when combined with the support services in the community and the home care concepts that this government has already addressed. I therefore support this motion.

REV. ROBERTS: Mr. Deputy Speaker, I rise to contribute some of the things that have been expressed to me by some of the elderly people I have spoken with over the course of the last year or so which I think may contribute to this debate. Right off the bat, one of the things I'm hearing more and more is that the people whom we call "seniors" or "senior citizens" really resent that title; I think other hon. members might want to contribute their version of this as well. In a sense they feel there's some patronizing tone to being put in this category of senior or being a senior citizen. When I ask what term would be more suitable or more genuine, they say: "Elder. We have a sense of being the elderly people in society, which has a sense of wisdom to it, that something can be contributed out of a sense of being an elder person in our society." They may be well elderly or frail elderly, but I'm hearing from them more and more that they resent categorizing all people over 65 as being senior citizens. Plus, it is not even an accurate term for those who are not citizens, those immigrant and new Canadians here from other lands who may be elderly.

That semantic debate aside, though I do notice it's used twice in this motion, I'd like to look at the main thrust of the motion, which I have some real problems with because of the other term, "facilities," that is used over and over. Certainly we in Alberta, if we've read any of the literature to do with this field, have realized that what Tory governments have done in Alberta is to so institutionalize our elderly that our rate of institutionalization is one of the highest among jurisdictions in the civilized world. About 11 percent of our elderly people are in institutions compared with a 3 or 4 percent rate in Scandinavia or in other jurisdictions.

It seems to me that if we have extra research dollars and are going to do some extra planning, we should put

that all into what is going to reduce the rate of institutionalization to bring it down to a much more acceptable level, so we don't have this continued attitude that when our senior citizens get over the hump and get to a point where we can't take care of them anymore, we will just put them into some sort of institutional care. That whole attitude needs to change. Though we have spoken around that issue, I don't think it has been squarely addressed in this motion or in this debate this afternoon.

The vital priority component is multilevel care in terms of medical care. This is why geriatricians are so important. Geriatricians are those who have some background experience in a multidimensional understanding of a diagnosis so they can speak to other specialists or they can realize other forms of rehabilitation. Before an elderly person is just sort of written off as needing institutional care, the geriatrician, in a collaborative and multidimensional way with other physicians, can say, "This is the kind of rehabilitation this person requires; this is the kind of effective treatment this elderly person requires." With this kind of rehab, treatment, and better diagnosis of their multifaceted health system, this person will more often than not need to be institutionalized.

Let me take a case in point. It has often been that many elderly people need to be institutionalized because of their urinary incontinence; that is, they cannot hold their water. So daughter or son says to the family doctor, "My aging parent is incontinent." What sort of research and planning has gone into what can be done, through either treatment or better diagnosis, to assist elderly people in that aspect of their health? In this province of Alberta very little, less than \$2,000, has been put aside for urinary research for elderly persons. Yet urinary incontinence is one of the main reasons for institutionalizing elderly people. Why aren't we putting money and research dollars aside for that kind of diagnosis, that kind of treatment, that kind of rehabilitation?

DR. WEST: On a point of order. Is the hon. member speaking to this motion or to some other concept within the health care system?

REV. ROBERTS: I have some very important concerns about the drift of this motion insofar as it's relating to facilities and not to multilevel care.

Is there a ruling on that?

MR. DEPUTY SPEAKER: Member for Edmonton Centre, you have about 30 seconds to go. I would suggest that you proceed until the end of the period.

REV. ROBERTS: Thank you, Mr. Speaker.

So if we can put more of our research planning and dollars into what it is to be institutionalized and not ghettoize our elderly into multicare facilities but rather develop coordinated government, health care, and community programs, then we might have the time to look at multilevel care facilities. It seems to me we spend enough time, research, and dollars on building buildings, cutting tape, and putting our names on those buildings. It has very little to do with the real, genuine care of our elderly people, to encourage and foster their own independence and their own contributions to our society.

Any more time, Mr. Speaker?

MR. DEPUTY SPEAKER: No.

REV. ROBERTS: Thank you.

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

**Bill 220
An Act to Amend
the Debtors' Assistance Act**

MR. FOX: Mr. Speaker, it is indeed a pleasure for me to rise today and present my private member's Bill, Bill 220, An Act to Amend the Debtors' Assistance Act, for second reading in the Legislature. I hope that in the hour before us members on both sides of the House will give the provisions of this Bill due consideration and consider passing it so that we can move on to the committee stage, give it a thorough clause-by-clause examination, and make some effort in this session to move toward amending the Debtors' Assistance Act.

This Bill is not unfamiliar to members of the Legislature who have been here for some time. Indeed, it has been presented four times in the last three years, and I'm proud to follow in the steps of my predecessors: the late Grant Notley, who first brought this Bill to the attention of the House; following him, Ray Martin brought it up for discussion; and then last year the MLA for Spirit River-Fairview, Jim Gurnett. I'm proud to follow in their footsteps and bring this Bill forth for discussion.

I'd like to say at the outset that this Bill would basically establish a regime of debt adjustment in Alberta primarily for farmers but to some extent for small businesses and homeowners as well. It's modelled on and is in some ways virtually identical to legislation that was on the statute books in Alberta during the 1930s. So there is precedent for legislation of this kind, and we also need to consider that.

Since this Bill was last introduced in the House by this caucus, several things have changed, Mr. Speaker. Conditions have changed in the agricultural industry and in rural Canada such that other governments have been moved to act on the need for debt adjustment legislation. The federal Conservative government brought forth Bill C-117 and passed it into law just before their summer recess. I have some concerns about the Bill and might allude to them later in discussing provisions of my Bill, but it at least shows the intent of the federal government to move towards some debt adjustment legislation and shows that at least that government can identify a need for such legislation. I also bring to the members' attention Bill 4 from the government of Manitoba, the Family Farm Protection Act, which was moved during this session and will likely become law in the province of Manitoba. Since we last debated this Bill, other governments have seen fit to move on debt adjustment legislation, and I think we should too.

One thing that moves me to speak to this and to realize that we really need some debt adjustment legislation is the kind of crisis that agriculture in Alberta is facing. I believe, Mr. Speaker, it's a deepening crisis and one that we need to move forward in very bold and creative ways to deal with. There has been some attempt to deal with the financial crisis on Alberta farms by the government through the Alberta Farm Credit Stability Fund Act, and we've discussed it often. While trying to amend the Act, we supported the intent of that Act to provide long-term, fixed-rate, low-

interest loans for farmers. But I think that angle in itself is not enough to attack the farm debt crisis. We need a more balanced approach, and it's something we've advocated for a long time. We were putting forth a program called Secure Future, basically advocating long-term low-interest loans, some sort of debt adjustment legislation, and then some provisions for enabling young farmers in Alberta to more easily take over the family farm and continue in the tradition of farming.

It's realized on both sides of the House that agriculture in Alberta is facing its worst crisis since the Great Depression. Some estimates from the Farm Credit Corporation are that as many as 30 percent of the farmers in Alberta are in serious financial difficulty, and we can recognize that lowering the rates of interest in effect for producers now and in the future will be of some help to those producers. We've done nothing to address the problems of those who are very deeply in debt and who are facing imminent foreclosure.

Foreclosures in Alberta have increased from 15 in 1982-83 to 46 in '83-84 and 65 in 1985-86. Reports suggest that a moratorium on foreclosures involves a further 100 farmers in Alberta every year. We need to recognize, Mr. Speaker, that that statistic is somewhat misleading because there are a number of producers who go through a voluntary liquidation and disappear from sight each year.

I think we need to realize, too, that foreclosure and the loss of family farms has a very great social cost as well as an economic cost. Not only do people lose their livelihood and their means of support, but in being dislocated and moving from the farm there are social costs that we as a society must absorb and deal with when they move into the cities. As we all know, unemployment is very high in the cities, and the options for people to relocate, retrain, and seek new forms of livelihood just aren't there.

MRS. CRIPPS: Mr. Speaker, on a point of order. None of us can find a copy of the Bill. When was it introduced? Everybody goes from Bill 219 to Bill 221.

MR. FOX: I don't have the date here. Bill 220 was distributed to ...

MR. DEPUTY SPEAKER: It was distributed June 16.

MR. FOX: May I proceed, Mr. Speaker? I can give you an extra copy, if the member would so desire.

MR. DEPUTY SPEAKER: Order please. Perhaps members who are interested could ask the pages to obtain a copy of the Bill for them.

MR. FOX: It's difficult to obtain up-to-date information about the depth of the financial crisis in Alberta right now. I made some inquiries to try and find out just how many Alberta farms were in severe financial difficulties, and we're defining that as those with less than 30 percent equity in their operations. It was suggested to me that if I took those 1984 figures and multiplied by two or three, we might be more or less in the ballpark. It's difficult to assess this, because equity levels are sliding faster than surveys can be conducted to really find out just what the situation is.

We need to realize, Mr. Speaker, that farmers in Alberta are facing a very tenuous situation, a very difficult situation: the spectre of dramatically lower grain prices and reduced market opportunities. I think we need to recognize just what

impact subsidy programs in the United States have had on grain farmers' incomes. The kinds of programs that the European Economic Community is involved in have also reduced the level of income for grain farmers in Canada, and there have been incursions into traditional Canadian markets by other suppliers as well. Just this morning there was talk that the United States would perhaps be entering the Chinese market. We need to address the problems we face and come up with some sort of meaningful way to help farmers deal with imminent foreclosure.

To be fair, there have been initiatives by both the federal and provincial governments that have benefitted farmers in past years, and I don't want to detract from their worth. Some of them are programs that we've advocated and complimented the government on, but it seems fair to suggest that for the most part these initiatives haven't really gone to the heart of the problem. They haven't addressed the causes. It's interesting to note that the government is very proud of its efforts to help agriculture and to deal with the problems farmers face, but we still bring forth a budget that shows agriculture receiving only 4.1 percent of the total expenditures of this province. Though we've done some, there is a need to do more.

Emphasizing again, we're not advocating debt adjustment legislation as a panacea, as the end-all and be-all to the problems farmers face, but see it rather, Mr. Speaker, as part of an integrated overall package approach to the farm debt crisis. It's based on the idea that the debt problems of many Albertans, both farmers and others, arose as a result of economic changes that occurred very rapidly and were not foreseen by most experts. Indeed, who could have predicted back in the mid '70s when interest rates were at 7, 8, and 9 percent that they would more than double in a matter of a couple of years? I don't think any of us predicted that. Those who did could have made a fortune on the rapid increase in land prices. So I don't think these changes were foreseen.

I don't think we can hold our producers responsible for these changes. Therefore, I don't think we can say that the farm debt problems Alberta farmers face arose through their own incompetence or bad management. I think it's a fairly general situation, and it's at the point now where we see established farmers, who have been in the business for a number of years or two or three generations, feeling the pinch. Their equity levels have declined. In some cases they're not able to meet their obligations, and we need to recognize the need for this kind of program, recognizing too that the farmers who are most deeply in debt and who need the most help are generally the younger farmers and the larger farmers, the people who hold the productive future of this province in their hands. I think we need to keep an eye to their future and our future as well.

Debt adjustment legislation, Mr. Speaker, is intended to meet two fundamental goals: first, that no farmer be forced out of production solely because he or she is temporarily unable to meet previously incurred debt servicing commitments; and second, that such debt is neither forgiven nor forestalled but is rather rescheduled on terms enabling the farmer to continue operations. I want to stress this because there has been some confusion about this in the past. We are not introducing this Bill to forgive anyone their debt. Indeed, the provincial government doesn't have the ability to do that. We're not doing it to reduce the level of debt people experience, because the provincial government does not have the power to do that. What we're suggesting is that we need to introduce legislation that would enable

producers to reschedule their debt so they can meet their obligations, exist in the future, and be part of farming in the future and the family farms in rural Alberta.

I think we also need to recognize that there are precedents for this kind of legislation. We've seen very many cases where major corporations have had debts rescheduled and where large debts in Third World nations have been rescheduled, often at very huge costs to the public treasury. We think back to the costs to the Canadian government, and indeed the Alberta government, of the Canadian Commercial Bank and Northland Bank crises of last year. There's precedent for such legislation, but I don't believe this legislation would cost the province of Alberta very much money.

We're advocating that a board be established that would mediate between debtor and creditor. If a farmer were faced with imminent foreclosure, he could apply to the board. The board would then seize the power to mediate between the creditor and the debtor, and any arrangements this board would make would be binding and would supersede previous financial arrangements. They would in effect have the power to renegotiate the terms of repayment and the conditions under which the loans are restructured, and it would be binding on both parties.

I don't think we can argue that is merely a benefit to producers. I think this protects creditors as well, because in a situation where the farm debt crisis is widespread and where foreclosure is becoming a fairly prevalent experience in rural Alberta, there is no benefit to banks to foreclose on someone. Why foreclose if there aren't operations available to buy up the land the bank has seized? There's nothing in it for them. Mr. Speaker, though they may not admit it in public, I suspect a number of banks would welcome a responsible regime of debt adjustment legislation, because it seeks to protect the creditor as well.

Another provision of the Bill is that if in the event of proceedings under this Act a creditor finds itself in an untenable situation unable to meet its obligations, then they in turn can apply for the same provisions of this Bill. Based on the model of the Bill that existed in Alberta in the 1930s, it also provides some measure of protection for homeowners and small businesses.

The federal government's legislation: I'm not sure if this government has as its intention to see that as the answer to farm debt adjustment legislation, but I should just mention a few things about Bill C-117, the Farm Debt Review Act. Mr. Speaker, it was proposed by John Wise, and it was promised that it would be legislation with teeth. I suggest to you that the Bill lacks teeth and that we need to do something more at the provincial level to try to augment it. All this federal Act basically does is allow for a review. If a farmer applies for a review and makes application, a creditor is not able to proceed against him for a period of 30 days. That may be extended for up to 60 days, but that's basically the extent of that legislation.

We can recognize that if a creditor who is involved in one of these 30- or 60-day stays of proceedings did not want to participate in a meaningful way in renegotiating this loan, they could simply wait out the period and then proceed against the debtor. I think we need to see that this Act, promised to have teeth, leaves the teeth securely in the mouths of the creditors and doesn't do anything whatsoever to help producers facing foreclosure. I think our Bill would accomplish that in a fair and balanced way.

It's also important to note, Mr. Speaker, that we have a sunset clause in the provisions of this Bill. Section 4 of

the Bill provides that the contents will automatically disappear on January 1, 1989. This would give us time to assess the effect of the Bill and to perhaps proceed with a future enactment of this legislation or change it in any way that needs to be done.

In closing, Mr. Speaker, I wish to urge members of the House to give this Bill due consideration and not just reject it out of hand because it's suggested by the opposition. I think it's a good idea; it's been moved on by other governments elsewhere in Canada. [interjections] Even you have good ideas, Stockwell. I admit that.

MR. MARTIN: When?

MR. FOX: Well, we'll find out sometime.

This is a difficult situation. I don't believe the farm debt crisis will be abated in a meaningful way by the farm credit stability plan Act. There will be some benefit provided to farmers in terms of the protection of a fixed rate of interest over the long term, but it does nothing to address the very real problems of the farmers who face imminent foreclosure and the some 23 percent of farmers who, by this government's estimate, won't even qualify for the benefits of this program. I might add, Mr. Speaker, that I believe many of those producers would be a viable unit if given half a chance. If this legislation were a reality, we wouldn't see so many operations needlessly going down the drain. I urge the members opposite to give it due consideration, and let's hear some sensible discussion on Bill 220.

Thank you.

MR. DEPUTY SPEAKER: I believe the hon. Member for Stony Plain got the eye of the Speaker, followed by the Member for Red Deer South.

MR. HERON: Mr. Speaker, I stand against Bill 220, an Act to Amend the Debtors' Assistance Act. In principle I'm against government intervention and any government involvement between the debtors and the creditors in this manner. I would suggest that if extended over the long term, moratoriums and interventions could mean that risk-taking by lenders would be substantially reduced to the detriment of the whole economy. What is the point of a bank or a lender taking security on land or buildings or through the pledging of accounts receivable or the hypothecation of securities and assets if they simply could be set aside by legislation which would defer and add a cumbersome time element to the realization of that security?

I heard the hon. Member for Vegreville's example in terms of farmers, and by example I make this case, when we look at, say, a retired farmer who sells his farm, has a certain amount of cash, and places it in a bank at a contracted time period for when he wants that money back at a contracted rate of interest. He then becomes a liability of the bank, and the asset is clearly to meet those contracted obligations registered on the left-hand side of the balance sheet as an asset or the loan of a client. If a moratorium is placed on that client's ability to repay that loan, it distorts the whole relationship between the depositor and the borrower. I know I'm speaking by specific example, but when we extend that through the macroeconomy, we are simply talking about the collective deposits of many, many businessmen and retired people and the collective loans.

I would suggest that if this Act were implemented, all farmers, good and bad, would then be a risk. Certainly the

risk would be spread out, and it would not help the good and efficient farmer or businessman but would simply act to protect the inefficient. The hon. Member for Vegreville also mentioned that there's a record of 60-some foreclosures in the farm community. I feel this is very, very bad. I feel it's tragic. However, a certain amount of risk and tragedy is inevitable when you're dealing with, say, 25,000 or 30,000 farmers in the community.

In looking at this Bill, it says the Debtors' Assistance Board would have the power to conduct hearings, hear evidence, subpoena witnesses and documents, and they would act, in my opinion, as an effective delaying tactic. I believe moratoriums are simply a delaying tactic which undoubtedly adds expenses which are reflected in higher borrowing or interest costs, lower rates on saving deposits, or perhaps higher service charges. Some debate today may focus on the Debt Adjustment Act in effect in Alberta during the Depression years. I submit that reference to this legislation is not relevant because of the many, many changes to modern business practices today. I would say that we have plenty of existing governmental watchdogs and agencies to look after abuses, and we also have very positive programs increasing the awareness of creditor rights and sound business practice. We have widespread media and communication coverage of lender programs. I don't believe a case for this amendment can be made to protect people from bad actors in the business environment.

I believe there's a general consensus that similar legislated programs in Saskatchewan and Manitoba are very costly and generally ineffective. I believe we have many positive debt counselling programs and public education programs in Alberta. For example, within the Alberta Agricultural Development Corporation producers have the opportunity for refinancing, deferring payments, and postponing or discharging of security to allow other sources of financing to be accessed or to allow debts to be reduced. The Alberta government has taken a preventive approach to the problem of debt management. Through the family financial counselling program, Alberta Consumer and Corporate Affairs provides information on family money management techniques and sound budgeting practices.

The Agricultural Development Corporation makes debt counselling, financial analysis consulting, and business management advice available for farmers. Of the two new pieces of legislation recently introduced and which received Royal Assent last week, the Farm Credit Stability Fund Act will help alleviate some of the problems currently being experienced by the agricultural community, as will the Small Business Term Assistance Fund Act which is expected later this month.

Looking at the program in Saskatchewan, they have a one-year debt moratorium with their review board. As I said before, the general consensus is that it's not very effective and it's not very cost-efficient. It certainly becomes more cumbersome to do business with the hope of not being able to realize upon your security. And the same in Manitoba — however, their Act establishes a peer advisory council to respond to requests for assistance. The prime objective of the council is to review the financial arrangements between a creditor and a debtor and to help mediate a just solution. However, the council does not have the authority to set aside or forgive a debt, only to postpone. As I mentioned, and I'll say it over and over, postpone means extra expense. It's an extensive legal process, and it requires extensive costs as part of the moratorium process.

The kind of action mentioned in the Bill does nothing to prevent or avoid the unfortunate circumstance of fore-

closure. It only delays and complicates the inevitable loss of property. By preventing foreclosure and seizure, secure loans become insecure. Security is diluted. Lenders' confidence would be weakened, and the supply of credit would shrink. Everyone would be affected if loans became more difficult to get. The Bill changes the existing rules applying to mortgages and contracts after the fact. Altering the rules after a decision and a contract has been made is unjust in my opinion.

A better solution to the problem is to help people avoid foreclosures before they happen. Agencies such as the current Debtors' Assistance Board and the Agricultural Development Corporation, which I already mentioned, provide money management counselling. Prevention before is preferable to desperate actions afterwards. I think we've seen all kinds of positive examples of our awareness programs in the province of Alberta in the AADAC programs, the Check Stop prevention programs or, for example, the Participaction program, all positive examples of increased awareness to avoid a negative experience.

I think it's been popular to take a swipe at the banks. On many occasions I've heard the banks strongly criticized for their business actions. I for one have had a firsthand look at banks, having served as a junior trainee and an employee of a bank many, many years ago, some years later as a lecturer at the University of Alberta on courses within the banking institute, and involved as a president of a venture capital firm setting up debt and equity programs and packages. From this perspective, on balance I have a very favourable view of what the banks are doing in Alberta and in the Canadian economy. I believe we have enviable stability when taken against other banking systems.

I think the banks have done a good job here in Alberta providing jobs, assets, and economic development. I heard the Member for Vegreville's comments implying that banks would be very quick to realize upon the security. I can assure the member that banks do not want to get into the farming business by running out and foreclosing. I can also assure him that they've been very flexible. But in any business deal, when the time comes that you can no longer win, you have to realize upon your security. This is the time that I believe a debt moratorium would be cumbersome.

Throughout my business life I have supported the Latin words "caveat emptor," or let the buyer beware, and also the principle to honour your commitments or pay your bills. This Bill is diametrically opposed to those personal beliefs. In saying that, I also recognize that at times it takes a negative experience to develop business experience. I also recognize that the normal business risks do at times mean foreclosures and bankruptcies. I believe these risks must be left to the lenders and borrowers to work out. In my view, this Bill is an Alice-in-Wonderland extension of the socialist thinking which always looks for ways to increase government intervention and control all aspects of the economy. Unfortunately, we are without a positive example of the socialists' ability to implement or manage effective programs in this arena.

I must support the free-enterprise ideology, and accordingly, I ask my colleagues in this Assembly to defeat Bill 220.

MR. OLDRING: Mr. Speaker, it's not every day that you have the opportunity of addressing this Assembly twice in one afternoon, but like the Member for Stony Plain, I too feel compelled to rise and speak against Bill 220.

I am sure the Member for Vegreville means well by bringing forward Bill 220 this afternoon, and it probably isn't even appropriate to hold him responsible for this ill-conceived Bill. It's a Bill inherited from Mr. Gurnett, the former Member for Spirit River-Fairview, and the hon. Member for Vegreville should take note where it has left Mr. Gurnett today.

Mr. Speaker, this Bill is typical of what we have come to expect from the NDP. It is shallow, not well thought out, and neglects to take into full consideration the total consequences and ramifications. Like so many proposals the NDP brings forward, it lacks imagination, and it naturally involves more government regulation and interference without any respect for the taxpayers' dollars. What we really have here is a Bill that is intended to exploit a short-term situation to desperately grab another handful of votes, regardless of the expense to Albertans.

This kind of action does nothing to prevent or avoid the unfortunate circumstances of foreclosures. It only creates additional bureaucracy to delay and complicate the inevitable outcome. Changing the existing rules of the game midstream would be morally and ethically wrong. It would shatter investors' and lenders' confidence in this province. The last thing we can afford to do at this time is to further endanger lender confidence.

Why is it that the timing is always wrong amongst the socialists? Here we are in 1986 and the New Democrats are turning to the '30s for the answers. The solution didn't work then and it will not work today. Wake up over there.

I'm also concerned, Mr. Speaker, that this Bill may raise some constitutional issues. I would advise that close attention be paid to ensure this Bill does not encroach on federal jurisdictions. I think the member opposite would do well to further investigate the ramifications of his proposal.

Mr. Speaker, by preventing foreclosures and seizures, secure loans become insecure loans; it's that simple. Lenders will not be willing to take on that additional risk, and the supply of credit in this province will shrink considerably, having an adverse effect on what is being desired. All we have to do is look at the research done on the 1984 moratorium in Saskatchewan. The research very clearly showed a number of things. One, it showed there had been an increase of 0.25 to 1 percent in the cost of credit to all farmers over what it was in 1984. Two, it showed very clearly that there had been a decrease in the supply of money available to the farm community. Between '84 and '86 there has been a 15 to 20 percent decline in available money. Three, there has also been an increase in collateral needed to obtain a loan. In 1984 farmers were able to obtain 75 percent of the appraised value of the land for mortgages; it now sits at about 60 to 65 percent.

Further, Mr. Speaker, the proposed powers of the board take away that fundamental right people had to make their own decisions and to work out their own problems through negotiation and co-operation without government intervention. We don't need any more government intervention. We need less. I would suggest that the socialists opposite take that under advisement rather than the raft of Bills they are bringing forward calling for more and more regulations and more and more government intervention. A better solution to the problem is to help people avoid foreclosures before they happen through agencies such as the current Debtors' Assistance Board and the many programs providing money management counselling alluded to by the Member for Stony Plain. Prevention before is preferable to an ad hoc approach afterwards. A better solution, Mr. Speaker, is the \$2 billion

farm credit stability program and the small business term assistance program. These are innovative and appropriate programs geared for the current situation.

Mr. Speaker, this side of the House continues to demonstrate the ability to give relevant, up-to-date solutions with a positive vision for the future. Thank you.

MR. PIQUETTE: Mr. Speaker, I rise to support Bill 220, and I'm still waiting for the day when members from the government will actually stand up and support very well thought out Bills which are made to help out ordinary Albertans and not to ... [interjections]

During the last week and a half, I've had three farmers from my constituency come to me with foreclosure actions hanging around their necks in terms of having to leave their farms within the next few weeks or by early November. One of the last gentlemen and his wife came up to me on Saturday. I fail to understand the position of the government when we're looking at the foreclosure rates in this province. And not simply the foreclosure rates, because without any debt adjustment board in this province, what has happened is that instead of simply allowing the whole legal procedure to take place, many farmers are signing quick claims with the banks and with ADC or simply putting their land up for sale. As I travel the northern parts of the province, I'm amazed at the total number of For Sale signs that keep sprouting just like mushrooms after rain. I'm quite sure the same situation exists for members around the Stony Plain area or in Red Deer.

If I were to send the three farmers who came to see me over the weekend to talk about their problems and if the members had these farmers in their offices talking about the desperate situation they're involved in, they would say the same kind of drivel they've just spouted in the last few minutes. It doesn't seem to offer any hope to farmers who have been on their farm ...

By the way, the average farmer in my office was 53 years old. I computed their ages, just to give you an indication that it is not only the young farmers or the educated farmers who are facing these situations. One who gave me a call this morning told me that he has a graduate diploma in agriculture, and he has been farming for 12 years. He invested \$150,000 of his own money, and now he is being foreclosed and evicted by ADC in the next few weeks. It's affecting a lot of our older generation of people who have pioneered this country and who have struggled for years to build up equity and not because of bad management or because of bad loans given out by the banks. It is simply because of the fact of an economic crisis, an emergency which is happening within our western economy, our farmers' economy. Since 1981 they have been subjected to falling prices.

Even though many of our government programs have been well intentioned, just like the 9 percent stabilization program was made to look like it would save a lot of these farmers under threat of foreclosure, when we now read the fine line, 20 percent or more of these farmers who are in a severe financial situation right now will not be helped by this 9 percent program. That is very unfortunate, because if many of these farmers were given time to straighten out the situation they're in and allowed time for the prices to start increasing instead of the massive loss of farmlands and the banks accepting losses on their loans, there would be an out for these farmers to postpone some of these debts to a brighter day when the farming economy of Alberta again would be able to look after itself.

When people lose their jobs or face adverse economic situations, we have safety nets established in our social service programs. Why are we not doing the same thing for our farmers? Why are we not providing a safety net? Their prime income, which is farming, is taken away from them, and they have to resort to welfare to be able to retain any kind of economic survival in this economy.

A comment was made by the Member for Stony Plain that when they had the debt adjustment program during the Depression it did not work. If he checks his figures correctly, the farm debt adjustment program saved thousands of western farmers from ruin during the Depression. Through setting back payment schedules during the Depression, eventually 80 percent of the farmers who would have been evicted from their lands were able to pay back their loans when prices recovered. To me that seems not a program that failed but a program that worked for the Depression years. I heard a comment that the New Democrats were borrowing ideas from the 1930s. Yes, we will go back to programs that worked in the 1930s if they were effective safety nets to respond to an economic situation that existed for farmers at that time.

I would like to make another point to the associate minister. The ADC program that she administers is still foreclosing Alberta farmers. The average loss faced by ADC upon foreclosure is close to \$110,000. Is that a way of saving money for Alberta taxpayers when we are accepting these kinds of dramatic losses of equity in the farming operations they are taking over? Simply that one statistic should be an excellent argument that the government should seriously look at a debt adjustment situation for farmers so that the government and the taxpayers are not going to be burdened by accepting this dramatic loss in terms of a takeover or foreclosure action.

The other aspect I would like to point out is that the banks — I was in conversation with some of the banking officials in my home community about the whole aspect of the debt adjustment program we have proposed. I did not receive the negative reaction that some of the members from the government side have supposedly indicated. Actually, I would think that in a way they would be happy to have this debt adjustment program, because it would allow the bank managers at the local level to start effective negotiation with the farmers affected and effectively remove a lot of the problems they see, the kind of horrendous human cost they see when they are forced to go into a foreclosure action with farmers, when they know that if they were given extra time to pay, perhaps some of these farming operations would be salvageable. So I think that whole argument does not hold water.

The other element is that it would dry up the source of credit. How can we say it would dry up the source of credit when what we're really doing with foreclosure action and quick claims and the putting up for sale of thousands of acres of agricultural land in this province and livestock, et cetera, is creating an equity loss for banks? It is not creating an appreciation of land value. The opposite effect is happening. What we're actually doing in terms of not having an effective debt adjustment program in Alberta is forcing down the value of land and livestock and machinery in the province for Alberta farmers and the public. That is not an effective way of dealing with that problem at all.

I would like to urge government members, if they care to listen and sympathize and be compassionate MLAs who represent the needs of their constituencies and the needs of Albertans, that they quit the drivelling and making up

arguments which really show they're not answering the kinds of problems that exist in today's economy. It's time we as politicians set aside the right-wing and left-wing rhetoric in this province and deal with the issues as they are, as opposed to inventing all types of excuses for not dealing with that crisis. Just as it took many years for this government to come out with 9 percent long-term funding for Alberta farmers, I believe they will one day see the whole benefit of having a debt adjustment board in this province, so they will be able to deal with the very serious agricultural crisis in rural Alberta.

Thank you very much.

MR. R. MOORE: Mr. Speaker, again we have a little bit of socialism endeavouring to be injected into our system. I think my colleagues have well expressed what it amounts to. We should go to history and take a look, because history tells us a lot and we should learn by it. It's by the faults and failures of others that we can benefit in the future.

I'd like to take a look at the model of all socialists, Soviet Russia. Socialists came to power in 1917 with the idea of sharing the wealth. We hear of sharing the wealth and now sharing the debt. But it's all the same idea. It's usually somebody else's wealth they want to share, though. As I said, socialism unfortunately came to power in 1917 with the idea of sharing the wealth. Here it is 69 years later, Mr. Speaker, in 1986 and all they've shared is radiation. That's all. That's the track record of the model of the socialist world, so we don't want to follow along in the role of socialism.

We'll go back in history to 1930. Mr. Speaker, I don't know whether I was fortunate or unfortunate, but I'm a little different from the hon. Member for Vegreville. I lived through the 1930s. I didn't have to read about it in history books. I lived through it, so I can talk from firsthand experience. I can tell the hon. Member for Athabasca-Lac La Biche that I learned from experience, and he is totally wrong when he says, "It was a great program; it was a success." I want to tell you that it was a total failure. It destroyed the credit rating of every farmer for 15 to 20 years, and it wasn't until 1950 or 1960 that farmers could go out and borrow again after that. We have the hon. members for Athabasca-Lac La Biche and Vegreville saying that it was a great time. They didn't live through it; I lived through it. My folks lived through it, and they couldn't borrow a cent.

Today it's a little different, because we live in the day of credit. There isn't a farmer that can't operate — I wouldn't say that there isn't a farmer. The majority of farmers operate on credit. They need credit for fertilizer, fuel, all the way down the line. If we destroy that credit rating and those credit avenues for them by bringing out this regressive legislation, we do more injustice to the farming community than anything that has ever happened in the last 50 years. It will set us back 50 years. They come out with this idea to destroy the credit. I ask you, Mr. Speaker, and I ask every member of this House: if you were a lending institution and a farmer came in after this legislation and said, "Look, I've got 75 percent equity in my operation, I want a little bit of money," you'll say, "I can loan it to somebody else." I know when that 75 percent equity is put out, I've got some security. Under this type of legislation, I tell you you wouldn't have the opportunity of borrowing one red cent as a farmer.

This government has many programs to assist financially troubled farmers, and here the opposition seems pitifully

quiet, or they're not knowledgeable of it. I want to talk about that for a moment. There's the family financial counselling program in the Department of Consumer and Corporate Affairs that administers the debtors' assistance program. The Debtors' Assistance Board has a provincial mandate to engage in mediation attempts between Albertans and their creditors. This is a drive for a fair and equitable repayment scheme to the benefit of all parties concerned. In more difficult situations the board will establish a voluntary repayment program, whereby it disperses payments made by the debtor to his creditors according to an agreed format between the two parties. We also have the Agricultural Development Corporation. This corporation makes assistance available to farmers in Alberta in the form of loans and guarantees. But under the ADC program producers also have the opportunity of refinancing, deferring payments, and postponing and discharging securities to allow other sources of financing to be assessed and to allow debt to be reduced.

We have other approaches too. We have the debt counselling program of the Agricultural Development Corporation, and that's not handled through a bureaucrat. That's handled through their peers, successful farmers out there. The government works with successful farmers to help those in trouble. We don't go out and try to destroy their credit rating. There's the new legislation we just brought in. It will alleviate a lot of the financial problems. That's a move of this government to do a very, very substantial bit of assistance for those farmers that are financially strapped at this time. Even the federal government, who are usually a little slower, got into the act, Mr. Speaker. I've got to mention that they've recently passed Bill C-117, the Farm Debt Review Act. I must point out to the hon. members of the opposition that it was the Conservative government in Ottawa that brought out the debt review Act. This legislation represents somewhat of a compromise between creditors who wish no interference and farm organizations that want an independent body that has authority to restructure farmers' debts.

That shows this government is taking positive action, Mr. Speaker. It's out there working with farmers and the financial institutes to the mutual benefit of all concerned. It certainly helps everybody, and it's doing it in a very responsible fiscal manner. It isn't going out to try and set back any sector of our economy, whether it's financial, farming, or otherwise. It's out there to work together with everybody as Albertans to solve the serious problems we find our farms in today.

There's no question about it, Mr. Speaker. Bill 220 will be a total disaster if it is implemented. It will be a regrettable day for every farmer in Alberta, and I for one will be proud to stand up and say I stood up against it. I ask all my colleagues not to support it.

MRS. CRIPPS: Mr. Speaker, I want to make some comments on this Bill. I've long advocated low interest. I noticed the Member for Athabasca-Lac La Biche was talking about low interest as if low interest and long-term credit were new concepts. They aren't. If you read the speeches I and other members of the Legislature have made for the last seven years, you'll find that we've all talked about the problems, the impossibility in fact of making judgment decisions when the cost of money is unknown.

Mr. Speaker, I did want to make some comments about ADC and about the person selling the land, the vendor, who may be carrying the financing of land and under this

proposal stands to substantially lose in some cases. That was related to me in a couple of case points as situations that happened in the '30s where the vendor actually never was paid for his farm because some debt adjustment board wrote down the debt.

In view of the time, Mr. Speaker, I beg leave to adjourn the debate.

MR. DEPUTY SPEAKER: Having heard the motion by the hon. Associate Minister of Agriculture, do you all agree?

HON. MEMBERS: Agreed.

MR. DEPUTY SPEAKER: Those opposed, please say no. So ordered.

MR. HORSMAN: Mr. Speaker, this evening the Department of Federal and Intergovernmental Affairs will be before the Committee of Supply. I would move that when the members reassemble this evening at 8 p.m. they do so in Committee of Supply and that the Assembly stands adjourned until such time as the Committee of Supply rises and reports.

MR. DEPUTY SPEAKER: Having heard the motion of the Deputy Government House Leader, all those in favour, please say aye.

HON. MEMBERS: Aye.

MR. DEPUTY SPEAKER: All those opposed, please say no. So ordered.

[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 of Supply please come to order.

Members of the committee, before we commence the Committee of Supply, various ministers of the Crown have offered to provide answers to questions that were asked during their departmental estimates that didn't come to a vote. Perhaps we could take a minute now and each minister could indicate what he wants to distribute.

MR. FJORDBOTTEN: Thank you, Mr. Chairman. I would like to file answers to questions during my estimates of July 18. I would like to file a copy with you, and also I have 25 extra copies that I'll give to you for distribution to members of the committee who wish one. I also have copies of the document for each member that asked questions.

While I'm on my feet, I would like to file with the Assembly a copy of the answers to questions of the estimates of Economic Development and Trade of July 3: one copy to file with the Assembly, plus other copies for members, plus copies for each member who asked questions.

MR. RUSSELL: Mr. Chairman, I have a similar document that I'd like to file with the Clerk of the Committee, along

with some extra copies for interested members. I've had sets delivered to each member who was identified as having asked questions of the Department of Advanced Education. I'm doing this in the event that I'm not able to get another turn during the consideration of the estimates and answer the questions that were asked. These have been taken from *Hansard*, and the answers are provided on that basis.

Thank you very much.

MRS. CRIPPS: Mr. Chairman, I would also like to file the answers to questions asked during my estimates in Agriculture. I'll supply copies to members, and I have extra copies for anyone that wants them.

MR. HORSMAN: Mr. Chairman, as Attorney General I would like to do the same and supply written answers to the questions that had been posed during the course of the Attorney General's estimates on July 14. Copies have been sent to the offices of the members who had questions that I was unable to reply to during the course of the particular estimates. Additional ones will be made available for any members who wish to obtain copies as well.

MR. YOUNG: For the record, Mr. Chairman, I was supplying you, sir, with some questions in a different way. I believe they were sent to your office today, but you may not have received them yet. Copies are being sent to those hon. members who asked questions to which the responses were directed.

**Department of Federal
and Intergovernmental Affairs**

MR. CHAIRMAN: The department before the committee is the Department of Federal and Intergovernmental Affairs, the Hon. Jim Horsman minister, page 203 in your budget working papers and page 75 in the elements book. Mr. Minister, would you care to make some opening comments?

MR. HORSMAN: Mr. Chairman, I'll make some brief opening comments. The estimates of the Department of Federal and Intergovernmental Affairs consist of just under \$7 million, an increase of 9.9 percent over comparable estimates for the preceding fiscal year. This 9.9 percent increase arises from the following four major areas: an increase in administrative support of \$164,591 or 21 percent, which relates to an increase in the administrative support required by the foreign offices, including one new permanent position. It also includes fixed asset funds transferred from other areas of the budget into administrative support and approval to purchase word processing equipment in Ottawa and Tokyo.

Secondly, increases in Alberta offices total \$296,127 or 12 percent, representing manpower increases in Tokyo for agriculture support and the Seoul representative in the Republic of Korea. It includes a manpower increase in Hong Kong for economic development support and increases in Los Angeles for supplies and services and manpower for support of the Department of Tourism. With respect to those matters, of course, I point out to members of the Committee that the Department of Federal and Intergovernmental Affairs and its foreign office support really play a supportive role to initiatives being undertaken by other departments of the government, particularly economic development, Agriculture, and Tourism, in this particular budget before the Assembly.

There is an increase of 7 percent in conferences and missions, and that relates to an increased grant through the Canadian Intergovernmental Conference Secretariat. That is due to the increased cost of First Ministers' Conferences, which all members of the Assembly will be aware has arisen as a result of the increased number of those conferences as a result of a change in policy on the part of the federal government, through an accord which was arrived at in February 1985, to institutionalize the First Ministers' Conference on an annual basis.

There is also an increase in the translation bureau of \$29,640 or 16.9 percent, representing a project position for an English/French translator. Hon. members will be aware that during the last fiscal year the translation bureau was transferred from Public Works, Supply and Services to the Department of Federal and Intergovernmental Affairs, where it was felt it more appropriately belonged.

Mr. Chairman, those by and large are explanations of the increases in the budget of the department. I'd be pleased to answer questions which might be posed by members of the committee.

MR. MARTIN: As the minister says, Mr. Chairman, it is a wide-ranging department, and there is a number of issues to deal with. I'm sure all members want to get into this debate. I'd like to go into three areas that fall within the minister's department. I'd like to talk a little bit about free trade and ask some questions, and also I want to talk a bit about and try to get some answers to the Alberta offices under reference 1.0.4.

First of all, Mr. Chairman, I want to say about the free trade talks that I as one politician remain somewhat skeptical about what is going on. I am always skeptical when people have panaceas. They tell us, "If we just have this or if we just have that, we'll have all our economic problems solved." The government often tells us on the opposition side that there is no free lunch. Let me say back that there's no such thing as free trade either. Americans, contrary to beliefs, do not say to us: "We love you in Canada. We'll do anything for you. We want to give you free trade, because it would only benefit you and we'd get nothing out of it." What we have are some very tough negotiators on the American side. I'm not so sure we have very tough negotiators on our side, and that's why I remain skeptical. I see nothing wrong with going sector by sector and looking at the nuisances that come up on both sides of the borders, things that they think we're doing wrong, things that we think they're doing wrong.

I'm a great believer in enhanced trade throughout the world. I think we in this Assembly all agree that to move back into protectionism right across the world is a very serious mistake for a trading nation like Canada. But let us not be so naive as to think that if we say we believe in free trade no matter what, that's necessarily going to be beneficial. Every one of us, as these talks are going on, should remain skeptical. If we come out of it with a good deal, fair enough, but until that deal comes about, Mr. Chairman, I think the wisest political course for all of us to take is one of skepticism.

Mr. Chairman, when politicians say to us, "Just trust us; it will all go along well" — especially Conservative politicians — I immediately put the warning blinkers up and start to concern myself. That's what we've been asked to do in Alberta and in Canada generally. It's "Just trust us; somehow it's all going to work out well." We get conflicting answers from both federal and provincial poli-

ticians about what's on the table. One politician says one thing; another politician says another thing; Mr. Reisman says a third thing. If we're going into these sorts of talks, we should have been clear about what is up for grabs in these talks. If you noticed, at one time the majority of Albertans, the majority of Canadians supported free trade, but generally it's been going down, as the minister is well aware. There's a great deal of confusion within the public mind about what we're doing. If I may say so, I think the process has been mishandled, it's been bungled, and as a result of that I don't know where we're at at this particular time in these talks.

When we raised this a year ago with the previous Premier, Mr. Lougheed, I recall that we asked in the Legislature: "Do you have any studies that would indicate that it's beneficial to this province — massive free trade, enhanced trade, freer trade, whatever you want to call it?" He said: "No. It is so self-evident that we didn't need to bother studying it." We've been asking Premier Getty the questions. In fairness, he says that he thinks there are some studies. We've asked from time to time: "Let's take a look at these studies." Surely one of the things you'd want to do when you're going into one of the major economic discussions of the times is to have the studies there to indicate whether it would be a good deal or a bad deal, a good deal in this industry, a bad deal in that industry, or whatever, but we'd want to know what we're doing.

I point out to the minister, Mr. Chairman, that recent studies that were released through the Access to Information Act show that the free trade economic benefits to Alberta would lag behind those in the rest of Canada. I'm sure the minister is well aware of that. It was from the External Affairs department. It said that our reliance on agriculture and energy would not be of great benefit in a free trade pact, and they went on to show in those studies that such things in agriculture as dairy, poultry, parts of the fruit and vegetable sector would be hardest hit. Also, in that same study I believe there were some 40 pages blanked out. They can still do that under the freedom of information Act. When you blank out pages, people have to wonder. I would suggest that if it showed that free trade was beneficial to Canada, the federal government would have allowed that to go through. That's the only conclusion we would come to because they blanked it out.

So I say to the minister that it's not so obvious to all Albertans that free trade is a benefit to us. The studies we hear about indicate that it might be the opposite. This is the first question I would ask on this, Mr. Chairman. Has the government commissioned an extensive, objective study on the impact of free trade in Alberta? If they haven't, will they? Will this government demand to see those sections of the above-mentioned report that were blanked out and make them available to the people of Alberta? If the government is prepared to produce objective reports so that all Albertans, the Legislature, both sides of the House, can take a look at it and know what's up, know what the benefits could be, then they may have more people supporting the free trade avenue.

It may somehow be beneficial to Alberta. But until I see these sorts of things, until I see an analysis done, I am not prepared to say: "Just let it go by; trust me; everything will be all right." Mr. Chairman, as free trade will so immensely affect the people of Alberta, they have a right not only to know the effects it will have on Alberta but, first of all, to let their views on the issue be known. My colleague for Calgary Mountain View asked the Premier

in the Legislature, I believe on June 23, if they would look at establishing a public commission so that the views of Albertans could be heard. I believe the Premier said that he would consider it. Maybe he's still considering it, but we haven't heard anything about it. Perhaps the minister can enlighten us whether they're going to do a commission — which their colleagues in Saskatchewan are apparently doing — or if they are looking at something like that.

Mr. Chairman, with the free trade talks now under way and no provincial representation at the table, I wonder what real participation the provinces of this country have in these talks. We've been told by this government that because we now have a Conservative government federally — we don't have those evil Liberals there anymore — the needs of the west would be looked after. We notice that in the negotiations — their counterparts haven't removed PGRT even with the present crisis in Alberta's oil industry. We don't have money for the Husky Oil upgrader, even when we had signed it — I might say, signed it with the Liberal government. We're now told that it's okay; the federal government will look after Alberta and all the provinces in free trade talks. As I said, I remain skeptical about that also. I say this not just for rhetoric. Perhaps the minister can come back on this.

Is this government fully convinced that its views and concerns will be raised during the talks with Mr. Reisman even though there is no provincial representation at that bargaining table? If they are sure of that, tell us how they can be sure of it? Is it just Mr. Reisman's word? Falling along with that is another question. Is this government prepared, and if so will it assure the House and therefore the people of Alberta, that the strength of and plans for diversification of Alberta's economy will not be sacrificed in these free trade talks? If necessary, is this government prepared to protect the province of Alberta — I say this publicly — against proposals put forth by their federal counterparts if they feel that it's hurting our economy? Frankly, I have not seen much from this government. Whenever the federal government suggests things that have direct consequences in Alberta, whether it be transfer payments or the rest that are hurting us. I've found them very mild and quiet. So I ask for those assurances from the minister.

Mr. Chairman, we have the Premiers' conference going on. I understand there were some questions today. I would ask the minister: how high a priority are the free trade talks at the particular conference coming up in Edmonton next week? Will we perhaps be a little more enlightened about the ratification process? I find it rather an outstanding feature that we're into major economic talks that are to save us, if you listen to Conservative governments, yet we don't even know how we're going to ratify it. Does every province have a veto? It hasn't been worked out. I suggest to the minister that it seems to me that before we got into these talks — because clearly, a lot of things they're going to be talking about fall directly in provincial rights — we would know the ratification process. I take it from answers to questions of the Premier that we don't even know how we're going to do it at this particular time. So I wonder if we're going to talk about that ratification process at this conference.

The other thing I would like to know is what is up for grabs. We're not sure. I've asked the Premier; the minister has alluded to it. I hope he has some idea, because some Albertans had better know and not just Mr. Reisman. What is up for grabs? Are marketing boards and the Canadian

Wheat Board? Are any of our social safety net programs? Is our water? What are we prepared to bargain away? If Canadians and Albertans had straight answers about this, perhaps we could then make some sense out of these talks. I'm asking the minister: can he give us some idea, at least in his understanding of these talks?

One other item that falls roughly into free trade has to do with what might be called the grain trade war. I believe this has some significance in our free trade negotiations, Mr. Chairman, but it unfortunately has not attracted much attention, putting it in that direction. Let me suggest a dilemma that the federal government may be in — and I wonder if the minister would like to allude to this — because of the current grain trade war and free trade. As I understand it, with the European Common Market subsidizing their grain products and the Americans taking them on — and by taking them on, taking Canadian producers on. They're clearly subsidizing, and if that's not going after Canada, I don't know what is — and most recently going after people we've traditionally done business with. The U.S.S.R. is a good example. It's rather amusing to me that Mr. Reagan used to call them the evil empire, but now he's prepared to subsidize and give them cheap wheat. The point I make is that this is a direct attack against Canada. How can we talk about free trade when something like this is going on? I understand they're also looking at exports to China — again, one of our traditional markets.

I wonder if the reason we haven't said too much about it is that we do not want to upset the Americans at the free trade talks. I wonder what the government's proposal is about this. Would they be saying to their federal counterparts: "Forget about the free trade talks; we've got to protect our farmers at this particular time; if the Americans are serious about free trade, they'll stop these deliberate attempts to take away our markets" — not only ours, of course, but Australia and other wheat producers? Make no mistake about it, the effect on this country will be immense. That's a great way to bargain on free trade, Mr. Chairman. They bargain, we talk, and they do anything they want.

I say that because we're in those talks, we haven't been able to make a strong enough case about this both provincially and federally. We've asked the Agriculture minister, but I would ask the minister in charge of intergovernmental affairs: are we prepared to lobby the federal government and say that for the time being, if the Americans keep doing this, we need deficiency payments for our farmers to at least try to keep them in business? It's not an ideal situation, admittedly. It would be better if they weren't doing this. But are we to just sit there and say, "Well, that's the way it is; it's hardly the free market, but we'll accept it, and our farmers will go down the tube"? Are we prepared to say clearly and strongly to our federal government that if they're prepared to keep doing this, then we're ending the free trade talks until they stop taking these sorts of measures that affect our producers?

Let me conclude by going into one other area, if I may, Mr. Chairman. As I mentioned, it has to do with 1.0.4, the Alberta offices. I've always been fascinated by these Alberta offices. I've always thought of them — perhaps wrongly, but maybe the minister will enlighten us — as Alberta's form of the Senate, that this is where good Tories go when they can no longer perform service here. We're told that they're necessary for our international trade. I'm prepared to accept that, being a trusting soul. But I want to know, while they judge these offices — it's a fair amount of money. Maybe it's not much to this government, but

when we get up to \$2.7 million, that's a lot of money. What do they do? Can the minister give us studies or any indication of how they've helped our economy, how they've increased our trade, or are we just to accept the government's word for this. Because especially when they want a 12 percent increase — we've got Dutton off in London; we've got Liepert in Los Angeles. I'm sure they're bringing in hundreds of thousands of millions of dollars. That's why our economy is so good at this particular time and our trade is going up.

I say to this government that unless they can justify it and can actually say that this is what happened and can give us objective studies, this is one area in government waste that we can begin to look at. If they are doing the job and if it is an important office, Mr. Chairman, then surely it's worth putting out and getting the best people possible. The best people aren't always tired Tories; there may be other people that can handle that job better. But it seems to us that they're using it just like an Alberta Senate, and if that's the case and we can't prove it's doing any good, I suggest that we abandon them. If they are doing some good, then let's change the way we fill those offices and do it with the best possible people. I hope the minister could enlighten us, rather than just telling us again that we are to trust them, that they're doing such great work. Where is the evidence of the type of work that they're doing that is helping our economy, especially in the area of international trade?

I have a number of other areas that I could go into, Mr. Chairman, but I know there are a lot of members that want to go in, so I will wait with patience and listen to the minister's answers, and it may cause me to get up again.

MR. HORSMAN: Mr. Chairman, the hon. Leader of the Opposition indicated in his preliminary remarks that he wanted to touch on three areas. I may have misunderstood him, but he indicated trade and Alberta offices and stopped there.

MR. MARTIN: Grain.

MR. HORSMAN: Oh, I see; the grain issue is a separate matter. Thank you. I thought there were three items, and I just wanted to make sure.

With respect to the subject of our position in the trade negotiations now under way with the United States, the bilateral discussions, I think it's important to point out two things. First of all, we have been very concerned as a province relative to the question of full provincial participation in the process. I think it important to outline for the hon. member and for the public of Alberta just where we are. Members will recall that during the discussions which took place on the subject in Halifax during the First Ministers' Conference last fall, it was agreed by all provinces and the federal government that there would be "full provincial participation," but no process was in fact determined at that meeting and it took some considerable number of months after that meeting to arrive at a process. That was the number one priority of our government.

Following the turn of the year, the chairman of the Premiers' conference, who is the Premier of Newfoundland until next week, asked our Premier to undertake the responsibility of leading the discussions on this particular issue. That came in about February of this year. After a long process of negotiation at the meeting held in Ottawa, all

first ministers agreed unanimously that the process which would be followed would be to have a series of first ministers' meetings every three months during the course of the negotiations, at which time the Premiers would review what was taking place in the negotiations and receive reports from the federal government and the negotiating team, which had been set up under the leadership of Simon Reisman.

It was also agreed that there would be meetings of designated ministers at provincial government and federal government levels. They would meet when required prior to the first ministers' meetings. That was a unanimous agreement in June. Since that time there has been a series of meetings of the negotiators. Prior to each meeting of the negotiators of the Canadian and United States teams there is a meeting of what is known as the continuing committee on trade negotiations. Each province has a trade representative. We are represented by Harold Millican, who I might point out does not have a solid Progressive Conservative background, as the hon. Member for Westlock-Sturgeon will know. That just shows the nonpartisanship of our government.

In any event, Mr. Chairman, Mr. Millican and a team which has been established meets with the federal team prior to their engaging in discussions with U.S. counterparts. Following those meetings, there is a thorough debriefing as to what has taken place during the course of discussions. There have been three of those meetings, the most recent of which was held just a few days ago. Of course, there's been widespread publicity as to what has taken place during the course of those negotiations and what the topics under consideration have been. So the process is being judged as we proceed throughout it. There will be a further meeting early in September as a follow-up to the June meeting, at which time the Prime Minister and all the first ministers will once again gather to discuss the process of the negotiations. I think it is very important to recognize that we are in fact participating in the process of the negotiations through this method. Obviously, in a country as diverse as Canada you'll get different opinions as to whether or not the process is working. We will find that out to some extent during the course of the discussions which will take place in Edmonton on Monday and Tuesday of next week when the provincial Premiers gather.

That answers as well part of the question that was raised by the hon. Leader of the Opposition, that yes, indeed, the subject of the bilateral discussions with the United States will be considered during the course of that meeting. I expect the Premiers will have a full and frank exchange. They will then, of course, be meeting with the Prime Minister. That will be just another step in participating in this discussion. In the process it is the intention of this government to protect the interests of Albertans. Of course, when it comes to making final decisions relative to what may be negotiated between the government of Canada and the government of the United States, provinces will have a vital role to play in whether or not the agreement works. In so many areas in Canada provinces have constitutional responsibility and jurisdiction. That's not the case on the other side of the border, where the interests of the states are protected through the Senate process of ratification of treaties and so on. Members are aware of the process the President had to go through there relative to that ratification of the process in the U.S. Senate. Of course, it is the intention of this government to protect the interests of Albertans in the process. Before the treaty, if it is arrived at and negotiated, we will have to determine whether or

not we can agree with the terms of it insofar as it affects Alberta's interests.

The hon. Leader of the Opposition has once again trotted out some issues that are common to the position of the federal NDP, and that is that there is some concern — not some concern, but alarm bells have been rung — that we're going to lose our social safety net, despite the fact that that has been denied time and time again by the federal government. They're not going to negotiate away the social safety nets in this country.

The concern for marketing boards has been raised, and it's a legitimate question to ask. Obviously, that's something that would have a direct impact on agricultural producers. I would refer the hon. Leader of the Opposition, who asks for studies — if he would look at one of the most expensive studies ever carried out in Canada on the subject of our economic future and which dealt extensively with the subject of trade negotiations. That is the Macdonald commission. The hon. Leader of the Opposition surely has read that document thoroughly and is familiar with what it had to say about the issues in dealing with the subject of trade with the United States of America. It clearly indicated that one of the most difficult areas to be negotiated or discussed is that of agriculture and the subject of marketing boards. Obviously, those matters are not easily disposed of or dealt with. They're going to be difficult and tough to deal with.

Bringing water into the issue: it has been the policy of this government and will continue to be as long as I can imagine that our water is not exportable to the United States.

So if I can help put the hon. Leader of the Opposition's mind to rest on some of these scarecrows that have been thrown up by the federal NDP in particular — and I wish he would think for himself a little bit as an Albertan about the issues rather than just automatically accepting the scarecrows.

MR. MARTIN: I don't just accept what you say either.

MR. HORSMAN: The hon. leader can listen. There are none so deaf as those who will not hear, and if the hon. Leader of the Opposition wants to adopt that tactic, that's fine. Perhaps I should sit down and let him just carry on.

I want to mention a second item. I said that there are two aspects that we're concerned about. Second and really in many respects even more important than the bilateral discussions is the role that the provinces are going to play in the multinational trade negotiations which are going to commence very soon, GATT, the General Agreement on Tariffs and Trade. It has been the position of this government that we must play a meaningful role in that process for the same reasons, relative to the importance of our constitutional responsibilities that we recognize and accept as a government in this province within Confederation.

One of the big defects of the last round of the GATT negotiations was that the federal government of the day would not include provinces as part of the process. I'm pleased that the Minister for International Trade at the federal level has invited provincial participation in the opening round of the GATT negotiations to take place in Uruguay commencing on September 15 of this year. That's an important step forward and one that our government has worked hard to obtain; that is, a position as part of the Canadian delegation to that meeting. We want to see that continue, because in the long run I agree with the Leader of the Opposition. Trade in the world is what we have to

address ourselves to, and removing impediments wherever they are put up.

Talking about the GATT and the last round, one of the major defects was that agriculture got shuffled to the bottom of the deck. That is something that our government is determined will not happen again. I can assure the hon. members that it is our intention to make sure that agricultural issues are dealt with in the next round of the GATT discussions.

I hope that I have been able to outline the process we're involved with. If there's a formula for ratification in advance, I'd be interested in hearing about it. We have the constitutional amendment process formula, which might be adopted, ratified. But on the other hand, that couldn't possibly work if it impacted on such things as our natural resources, where we have a veto under the Constitution now relative to matters of dealing with the ownership of the natural resources of the province of Alberta.

It's our view that we should adopt the process of being thoroughly involved in the process right throughout, so that when we come to the end of the day, we will have an agreement which can be accepted by all the provinces and the federal government and which will not require an elaborate ratification process. In other words, we will have achieved what is acceptable to Canadians. I may be overly optimistic in adopting that approach, but if it doesn't work, we always have the fallback position of saying, "No, that agreement is not acceptable to this province because it impacts upon areas in which we have constitutional responsibility."

On the subject of Alberta offices — and I don't want to go on too terribly long on the subject — I want to say this: there is a full summary of the role and function of the Alberta offices set out each year in the annual report of the department. That's made available to each member of this Assembly. You want some positive proof of action. It just so happens that this is only one of many, many cases dealt with by our foreign offices, but since it came in quite recently, I thought it was worth bringing to the attention of the members of the Assembly. With respect to Korea, we are in the process of asking consent of the Assembly for additional funds to provide for a representative. Our agent general for Japan and the Republic of Korea now handles this matter.

In conjunction with the representative of the Department of Agriculture, we were able through the good offices there to obtain for the Alberta Wheat Pool sales of Kodiak rye grass and, by a tender process in which we were actively invoked and in which we enlisted the aid of the governor of the sister province of Kangwon in Korea, which hon. members will be aware is also a responsibility of this government — without going through all the details, through our representation through our foreign office in Tokyo with responsibility for Korea, we were able to obtain for the Alberta Wheat Pool sales worth \$481,866 U.S. and \$264,600 U.S. of these particular products. That's \$.75 million U.S. That's just one example of how the foreign trade has been enhanced. Hon. members can mock that particular figure, but I think they should check with the Alberta Wheat Pool to see how helpful our office was in obtaining that particular sale. That's just one example of many, many hundreds that take place throughout the course of the year in the various offices which we have abroad.

Of course, another thing I think should be brought to the attention of the members is that we're not alone in having provincial government offices, and like good Canadians

we're competing with some of our fellow provincial governments. In fact, it would be interesting for members to note that the government of Ontario had 10 offices as of 1984, plus ministry personnel in four offices, operated two intergovernmental offices through the Department of Intergovernmental Affairs, and since then has opened an office in Singapore. The budget for them in 1984 was well over \$10 million. The government of Quebec operated 18 offices at an approximate cost to the government of Quebec of over \$15 million in 1984. The government of Saskatchewan has an office, of course, in London and has opened in Hong Kong. Manitoba has also opened an office in Hong Kong, following Alberta's leadership. I think it's very appropriate for that particular government to look outside the boundaries of Manitoba for promoting that particular province's products and other aspects as well.

Trade is not the only thing that's involved in foreign offices either. I might point out that we deal very extensively with the questions of immigration, in particular entrepreneurial immigration, and we are encouraging entrepreneurs to come to Alberta. Many have come from Europe and from Asia. Many more will come in the future. We play an important role there. Likewise, we are expanding the promotion of tourism, which all hon. members will agree is receiving appropriate new consideration and emphasis under a new department solely devoted to tourism, in offices that we maintain throughout the world.

The hon. Leader of the Opposition can call it what he likes. It is not a Senate. He and I both agree on one thing, and that's the current Senate in Canada. Let's not ruin our good relationship on that one point. In the Senate of Canada they do nothing useful. That's not true about the offices which our government maintains throughout the [world].

On those points I will close my remarks at this stage.

MR. TAYLOR: Mr. Chairman, in going through the estimates, I'm only going to touch on three small points, and then our Member for Edmonton Meadowlark will go into more depth to test the minister better than I could. I want to comment on a couple of things that you might call criticisms, and then bearing in mind the Premier's offered advice that I should say something positive, I will have something positive to put in.

I am a little concerned. As I follow the Leader of the Opposition's remarks on free trade, I quite agree with most of what he said. I'm a little worried just what is driving this government provincially — you might even say federally, as they're at least the same confusing label — as to what you expect to get or why we got into this whole free trade argument that's going on now. I've been told, and statistics seem to be fairly consistent, that 80 percent of our trade now with the U.S. is free of any restrictions. Another 15 percent of that trade, which brings it up to 95 percent, has less than 5 percent duty on it; in other words, a miniscule duty indeed. So that means that the last 5 percent is really all we're out there to try to correct. Only about 5 percent of our trade in the past has been embargoed or had a duty on it greater than 15 percent. One then has to wonder, when you take that fact and put alongside it that we have had a trade surplus with the U.S. for the last four or five years, what we were hoping to gain by going into this.

One can't help but wonder whether there is not a lot of political decision-making being made in Ottawa and then the knee-jerk reaction of the different provincial Premiers of the same faith to try to follow it up. I wonder whether there is that much to be gained and whether there was any

thought that there would be anything gained. If you look at what's happened since free trade negotiations with the U.S. started, we've had tariffs put on cedar shingles, we now have wheat that's going to be subsidized into our traditional markets of China and the U.S.S.R. As far as acid rain is concerned, the U.S. gave us a very cold shoulder, not because they were worried about poisoning Canadian lakes but more because they were worried that if they had to put the sulphur inhibitors onto their industry, it would make them less competitive with ours. If that was not insult enough, a while back we had the question of some of our hogs and beef barred from the U.S. market under the rather phoney issue, it turned out at the time — but it held up for some time — that certain drugs were being used by our farmers in raising beef. Of course, one that maybe hasn't hit that much here, but as a person that's very involved in the mining industry: yellow cake or uranium oxide is now being barred from the U.S. in order to develop the U.S. uranium industry.

In other words, whenever the U.S. interests in any way, shape, or form have been bothered, they haven't hesitated to embargo or stop trade with us. I can't help but think that maybe we're acting a little bit like the love-smitten swain that gets on the phone every day and asks for a date. Of course, she hasn't got time: "I'm sorry, I'm going off for the weekend. I'm sorry, I'm visiting the folks. No, I'm going out with Jack." How many insults, how many times are you going to have to be slapped in the face before you realize that possibly the Yankees just plain don't give a damn? That's one of the things I think should be entering your mind.

The second thing that's bothering me a bit is that if you think there's some burning force, some mob out there that's going to take you to task if you don't complete the free trade agreement with the U.S., I would like to tell you now, there isn't. You might be surprised. You could conceivably win the next election if you had the courage to get up and say that you've only gone so far and that's far enough. I really wonder indeed whether you're not pushing on something that the rest of the public has come to realize that it has very, very little economic effect on. You might make the argument, a reverse form of argument, that with all the negative reaction we're getting from the U.S., if we keep talking free trade and pushing free trade, possibly we'll end up in the same position we were in before this whole thing started in the first place. In other words, you've got to be aggressive in your pursuit of free trade just to end up even. Now that might make an argument. I don't know. After doing some touring and moving around Alberta, I just wanted to assure the members on the other side that there's no great mob out there ready to lynch you if you do not complete a free trade agreement; in other words, take it calmly, make sure you know what you're doing, don't panic into signing something that you don't have to.

I move on to the next area, foreign offices. I know the Leader of the Opposition says that you should trust the minister. I have a little trouble with that, because the last time I trusted him I ended up with two extra bathrooms. Nevertheless, trusting the minister in this respect may not be what we need when it comes to evaluating what a foreign office is able to do. I have done a considerable amount of business abroad and, as the minister has already pointed out, there are many offices, both federal and provincial. I must confess that after 25 years of doing work abroad, I'm not really sure — you might be able to convince me —

they do any good. I really can't tell. I have wined and dined and dropped in on every Alberta provincial office and most Canadian provincial offices, and I must admit, as political as I can try not to be, that they are usually staffed, if it's a Liberal government, by ex-Liberals; and if it's a Tory government, by ex-Tories; and if it's an NDP government, by ex-NDP. That's the only way I keep up with my political friends as I travel around the world. All political parties seem to consider those plums that they set them up in. I have always been careful not to tell them business because I find that like most politicians they are inclined to blab my business to the next guy that calls in. Nevertheless, they may do something. I'm not particularly sure, but I do know that any foreign businessman — and I know I've been concentrating in the fields of engineering, construction, and natural resources. But as a general rule, you don't share too much of your confidences with the office because you're always afraid that your competitor, also coming over from Canada, is going to learn what you are up to.

But there may be a reason. If for nothing else it may be a good place to get rid of retired Tories, NDs, and Liberals when they get in your way. But I don't think that's sufficient reason. If I were going to suggest anything — looking at your budget, Mr. Minister, I notice you have down about \$2.8 million for running these Alberta offices and only \$.8 million for conferences and missions. I suspect, and this is a sneaky suspicion, but as I say, I've spent many more years in foreign business than I have in this House. I have a sneaky suspicion that if you reverse that, spend less than \$1 million in your offices and spend \$2.8 million or nearly \$3 million in funding trade groups and businessmen from this province to go out and seek their own business, make their own deals, we might be a lot better off I would suggest that you throw that on.

I move on to the other area that bothers me, and I'm going to try to be very positive indeed. The Premier will be proud of me on this one. GATT, the General Agreement on Tariffs and Trade, I think in general has worked. It has been a positive effect in the world since the last war. It has done more to promote free trade and reduce tariffs around the world. Sure, it has had imperfections. You mentioned that agriculture had been moved to the bottom of the deck; I know the minister has assured the House that he is going to put all the persuasion at the command of him and the rest of that front bench to convince the federal Tories that they're going to move agriculture up in the next GATT. All I can say is good luck; we're right behind you. We hope you have a lot better luck in doing that than you have had in removing the PGRT. Nevertheless, not being one to have a jaundiced look or look a gift horse in the mouth, if you're indeed ready to gird your loins and go into battle and cement the back seat of their underwear so they'll go in there and fight for agriculture, we're right behind you.

One of the things about GATT that I think we could use — and this is where I'm going to try to put something across as positively as I can without any political digs, if possible — one of the areas is the trade restrictions between our provinces. We've all agreed that we've had trouble in Canada; we don't seem to have a mechanism to try to break that down. I'd like to suggest that a GATT-type agreement — and remember, the early GATT did not have the power to exercise sanctions, call in troops, set duties. It was more or less a public forum, so that when there was trade inequity done by one country to another, it was

the spotlight of public attention, international attention you might want to call it, to that particular government that helped bring the others in line. In other words, it was a persuasive organization. It didn't have an army; it didn't have the right to tax or to put on duties.

I'm suggesting the same type of organization. It might be ready. This would be a chance for the bench across there to go down in history as one of the great leaders in this country if you could come up with and get the rest of the provinces to come up with a similar type of organization for Canada. In other words, the 10 provinces and the territories would be represented in a voluntary network that would pass judgment that could be appealed to by any province if they thought there was some discrimination being done in the way of incentives or loans or subsidies by another province destroying the free trade of commerce back and forth between the provinces. It would be a voluntary organization. Really, the only way it could enforce its thought would be by putting the spotlight of media attention on the imperfections or subsidies brought forward by the different provinces and ruled on by this body. I think it's a body that would do more for trade. If we have less than 5 percent of our trade with the U.S. that's in any real trouble for duty, we have much more than that, in my opinion, between the provinces and much more to be gained by opening up this country from coast to coast, from province to province, with some sort of organization. It would not change the Constitution. We do not need to change the Constitution. We're so hidebound with the idea that we have to change the Constitution every time. We could try this voluntary body, just as GATT was in the early stages.

Thank you very much.

MR. HORSMAN: Mr. Chairman, I always find it interesting to hear a Liberal abandon the traditional position of the Liberals in this country — that is, to be free traders — and then to do so because, of course, they've moved so close to the socialists. I think they should move their seats together. [interjections] Mr. Chairman, I'm having a hard time hearing myself. That is really amazing.

I grew up in the west of Canada. Interestingly enough, my parents were Liberals. One of the things that I learned at my parents' knees was that free trade was good for western Canada. I believe that to be the case today. The hon. leader of the Liberal Party today asked what drives the free trade initiative on the part of this government. I can tell him in very simple terms. We are driven by trying to obtain a better standard of living for Albertans and Canadians. We are a trading nation, with 30 percent of our gross national product being derived from international trade — one of the largest percentages of any trading nation. Approximately 75 percent of our trade is with the United States of America. It is our biggest market. It's incredible to think that we would want to lose access to that market. We have to fight the protectionist sentiments that exist in the United States today. We have to do that in order to maintain our share of that market. It's been laid out so many times by others. I'm sure the member of the Liberal Party is well acquainted with the chairman of the Macdonald commission. They were members of the same party, and maybe they still are. At least there was one Liberal who maintained traditional Liberal thinking relative to trading with the United States and trading in the world.

Mr. Chairman, the hon. leader of the Liberal Party mentions that only 5 percent of the trade has a duty, but it's not duties that are impediments to trade between us

and the United States today as much as it is nontariff barriers: quotas, restrictions, health requirements.

Take the example of the import of hogs which came to light during the Western Premiers' Conference in Grande Prairie last year. It made quite an instant convert of the Premier of Manitoba to the discussions when some states applied what we considered to be a rather phony ban on the importation of live hogs into the United States because of the use in Canada of a chemical which I can't pronounce. That was a phony deal, but it was a nontariff barrier that was thrown up.

We've got to determine the process in these trade discussions by which interborder disputes like that can be settled without going through all these one-sided, unilateral trade barriers that can be set up now under the United States trade law. We've got to negotiate our way out of those and into an agreement with the United States that we have a dispute resolution mechanism in place, and that's got to be a key element of the discussions that are now under way with the United States.

That brings me to his third point, which is really related to establishing a small GATT type of organization relative to the interprovincial trade barriers, which we agree must be removed. I hope hon. members will recall that we must remove interprovincial trade barriers when it comes to our making some difficult decisions relative to awarding contracts in this government to bidders that come from outside Alberta. Keep in mind, hon. leader of the Liberal Party, that when we make decisions or we do not impose barriers — and this province proposes very few indeed to interprovincial trade — you don't come to us and say, "Now, why did you award that contract to a low bidder from Manitoba when there's an Alberta company we should have been protecting?" That's one of the great dangers that we have to protect against within Canada.

We want to establish a GATT mechanism, if you will, between Canada and the United States to prevent the imposition of these very difficult trade barriers that are now being erected. I refer to the shakes and shingles issue and the softwood lumber issue, which is now a very serious threat facing the softwood lumber producers of Canada. I'm sure the hon. leader will be pleased to note that there was unanimous agreement at our meeting in Vancouver amongst the provinces and the federal government that we must do everything possible to fight that countervail, but we must get out of that process and into a simpler and easier dispute resolution mechanism as part of the free trade discussions. So that's one of the things that drives our initiative in that area.

On the subject of foreign offices, the hon. leader of the Liberal Party has been associated with the oil industry. Just another example — I cited one earlier about what our foreign offices were able to do in a sale in Korea just recently. The Independent Petroleum Association of Canada recently sponsored a tour of the United Kingdom and Europe to convince investors there of the desirability of investing in Canada, and our foreign office in London was instrumental in arranging that tour. All the hon. leader of the Liberal Party has to do to confirm this, if he doesn't want to take my word for it, is ask IPAC — laudatory comments about the efforts that were made by our office to make the arrangements that were so necessary to get the IPAC group in to see the right people.

It's true that not a great deal of money was raised because the oil price fell; nevertheless, that's not the point. [interjection] If the hon. member of the Liberal Party wants

to decry the efforts of IPAC, that's fine, but then he can answer to them. The fact of the matter is that they have written laudatory letters to me about the activities of our office in London. That's just another example.

I must point out to the hon. Leader of the Opposition and members of the Liberal Party and the NDP who applauded the leader of the Liberal Party when he said to spend more on conferences and missions, that that item in the budget does not relate to foreign missions. The missions that are in this budget are strictly internal to Canada. The foreign missions which are conducted are under the auspices of the Minister of Economic Development and Trade, and the \$0.8 million relates to missions and conferences which take place within Canada, including the increase I mentioned of the grant relative to the increased expenses relating to first ministers' conferences.

We have published a document as well, as I hope the hon. Leader of the Opposition — or Liberal Party; he's not Leader of the Opposition yet. He may not ever be, but one never knows. We have published a little booklet on questions and answers. The questions he has asked are all answered in there, and I hope he will take the opportunity to read it.

MR. DAY: Mr. Chairman, I'd like to congratulate the Attorney General for taking on this tremendously important portfolio along with his duties as Attorney General and deputy House leader. He is to be commended for his willingness to serve the province in this manner considering the weight of these portfolios.

I'd like to bear our attention to the estimates. Along with a \$6.9 million budget including a 9.9 percent increase over 1985-86, I'd like to refer this committee to one of the sentences on page 204 of the estimates which demonstrates part of the mandate of this department. Under the title of Intergovernmental Affairs it reads:

Provides research and coordinating services for inter-governmental issues relating to federalism and constitutional affairs.

Tonight I'd like to deal briefly with what I see as our most important hope and maybe our only hope for any real chance of survival in the area of issues relating to federalism and constitutional affairs. That's the issue which has already been touched on tonight and which there seems uniquely to be translegislative support for: the issue of Senate reform. In February of 1982 at the First Ministers' Conference on the economy in Ottawa, Mr. Trudeau made a comment. He said that from his perspective co-operative federalism was dead. That sentiment is reflected today by many on the provincial and federal scene. Whether it's true or not, it underlines the importance of this Assembly continuing to impress upon the federal government the necessity for Senate reform.

Over recent years we've seen some outrageous examples of unilateral federal action that has been harmful provincially. We can talk about taxation of Alberta's energy resources, we can remember a federal decision to patriate the Constitution without provincial consent, and we can talk about the unilateral federal Liberal action of the NEP. It all serves to demonstrate the need for an equal upper House representation to offset these regional disparities.

I think the words of the Hon. George Brown in 1865 still ring true to us today.

MR. TAYLOR: A great Liberal.

MR. DAY: I do find it interesting in reference to what the minister has already commented on to see other members rising and beginning to show their true stripes. I appreciate the hon. Leader of the Opposition in his comments on free trade and how he appears to be showing a degree of openness to it. He's at least considering it, and I commend him for moving along and starting to grasp some of the principles which we uphold and appreciate his willingness to be open to input there. That's encouraging for me. One of the most encouraging things that has happened since coming here is to see that we are open to change. In 1865 George Brown said:

That very essence of our compact is that the union shall be federal and not legislative. Our ... friends have agreed to give us representation by population in the Lower House on the express condition that they shall have equality in the Upper House. On no other condition could we have advanced a step, and for my part, I am quite willing they should have it.

He goes on and says:

In maintaining the existing sectional boundaries and handing over the control of local matters to local bodies, we recognize, to a certain extent, a diversity of interests, and it is quite natural that the protection of those interests, by equality in the Upper Chamber, should be demanded by the less numerous provinces.

Then a year later at the London conference of 1866 — and I don't know that we can credit a Liberal with this comment — one of the delegates referring to equality in the Senate said it was

the very life, the root of the whole scheme. If we err, the whole scheme will come down some day.

The purposes of an effective Senate should be twofold and should be obvious. The first traditionally is for the second Chamber to perform checking or reviewing functions, to be permitted to take a sober second look, as we say, at Commons legislation with the view to suggesting technical improvements. The second and most clearly articulated purpose is to represent the provincial interests in the making of national laws and policy.

We see these operations of equality in upper Chambers in other countries that operate on a bicameral system: Australia, the United States, and other western countries. But in Canada the failure to effectively represent provincial interests has been highly visible and evident, and it has actually contributed to the low public esteem in which the present Senate is now held. The reason for that failure is obvious: Canada is the only federation where appointment to the second Chamber is made by the central government.

I'd like to submit tonight that nomination by central government and sectional representation are absolutely irreconcilable, both in principle and in actual practice. The federal appointment of Senators has made representation of provincial interests an impossibility and a joke. The reasons for that are obvious. Senate appointments are mainly patronage appointments. Because of the duration of Liberal rule since Confederation, naturally the Senate is overwhelmingly populated by Liberals. The only worse scenario would be a Senate overwhelmingly populated by socialists. [interjections] Just when you think they were dozing off, you find out they're with you all the way.

As a matter of fact, up until the reign of the federal cousin of the leader of the Liberal opposition, Mr. Trudeau, on only two occasions since Confederation have we ever seen senatorial appointment by a prime minister of a person

of a different political persuasion. And one of those prime ministers was a Conservative.

MR. MARTIN: Who was it?

MR. DAY: Macdonald. The facts are plain. Since provincially most ruling parties have been anything but Liberals, which shows the common sense of most provinces, the result of these patronage appointments is that we have a Senate that does not fairly represent the political thinking of large sections of our country. This has led to a growing public cynicism, apathy, and anger. Our present Senate actually acts as a catalyst on the provincial level in terms of stirring up separatist thinking as the only answer to regional inequities. As I review the estimates, the need is obvious for a continual provincial presence in federal thinking along the lines of Senate reform.

We've heard about offices from this province in various countries, and I support the establishment of those offices. I concur with the positive effect that they have. Maybe we should consider an office of Senate reform on Parliament Hill in Ottawa. As I see tonight, we could easily choose any here to represent that and not be accused of a patronage appointment. The NEP and the present refusal by the central government to remove the PORT are two of the most glaring and recent examples of the central colonial attitude to the west. The list could go on and on, but these most recent wounds have left deep scars in interprovincial relations.

I see only three resultant and possible scenarios if this department, along with the corresponding departments in other provinces, is not able to impress upon the federal government the need for Senate reform. One scenario would be the continued neglect and abuse of our concerns, and that would be to the detriment of our provincial economies and of Confederation; or we could be successful in bringing federal attention to the matter of Senate reform to balance these inequities; or the third could be the rise and eventual success of separatist thinking at the provincial polls. Some would say, with a ho-hum attitude, "That's been threatened before; it would never happen." Yes, it has been threatened before, but never before have the federal slaps in the provincial face been so hard, so stinging, and so lingering.

Mr. Chairman, in the words of that delegate at the 1866 conference in the maritime delegation who were led to believe that they would see equal representation with an upper Chamber, those words could yet ring with a prophetic tone. They said it is

the very life, the root of the whole scheme. If we err,
the whole scheme will come down one day.

Mr. Chairman, I urge the minister to use every aspect of his portfolio to continue to impress the graveness of our senatorial situation on the minds of his federal counterparts and not to be swayed by the pessimists or by those who have grown weary of working towards the realization of this accomplishment. Because we've petitioned in the past, maybe to little avail, is no reason to let up now. The recent disgraceful shenanigans of the Liberal-dominated Senate in holding up some excellent legislation only accentuates the rightness of our concern for Senate reform.

Mr. Chairman, Senate reform truly is the very life of the whole scheme. I urge this department, this government, and this Assembly together to support the minister as he continues to impress the importance of this reform on our federal counterparts.

Thank you.

MR. HORSMAN: Mr. Chairman, I thank the hon. member for raising the constitutional aspect of the portfolio that I have the honour to hold in this government. It's an important area of responsibility, and the hon. member has touched on a very important point relative to the future of our constitutional discussions. I guess that the Constitution of Canada isn't really what every Canadian takes to bed to read. Regrettably, I think it is true that we have not paid enough attention in our teaching in our schools and elsewhere, our universities and colleges, to the nature and effect of the federal system that we operate under in this country. For a long time there's been an attitude developing that has worried me a great deal: that somehow or another by centralizing control at the hands of the federal government, Canada will be strengthened. That is quite the opposite of what will happen, and we have seen examples of that in the last decade or two. In fact, we've seen a weakening in many respects of the fibre of the nation by centralizing control in the hands of the House of Commons in Ottawa, aided and abetted by a weak and ineffective Senate.

Hon. members are aware that this province took the lead in establishing a select committee of this Assembly under the chairmanship of the now Minister of Culture, and that committee did excellent work, going across Canada and examining as well the operations of other federal systems in the world, and came forward with the recommendation that Canada should have an equal, elected, and effective Senate. That resolution was put to this Assembly and it was adopted.

The problem, of course, now facing this government and other governments who are concerned about the future of Canada in its federal form is how to get the matter given serious attention by the federal government and the other provinces. Mr. Chairman, it is crucial that this issue not be dropped or lost sight of in the next round of constitutional discussions, which must inevitably take place. In any federal state, the tensions, the pulls, towards centralization as opposed to the development of the member states is inevitable, and that will result in a continuous round of discussions between the component parts and the federal body. That has been true in the United States of America. I don't know how many amendments to the Constitution have taken place there — a great number. It has been true in Australia. It has been true in the Federal Republic of Germany where the federal system operates. Changes must take place in order to accommodate different federal states and the changes that take place with respect to those nations.

In the next few days we are going to be discussing a very grave matter facing Canada and the Constitution we adopted as a result of the discussions in 1981. That is the subject of Quebec and the fact that that government and that province are not signatories to the constitutional accord which has resulted in the patriation of the Canadian Constitution with the Alberta amending formula being the process by which that Constitution can be changed. We are going to be undertaking a very serious set of discussions with the other provinces, with the government of Quebec, and eventually, we hope, with the federal government relative to obtaining Quebec's participation as a full signatory to that Constitution, because we as a government believe, Mr. Chairman, that the Constitution is not complete without the participation of Quebec. We know as well that this is a concern shared by most other Canadians.

In the process of discussing those points that have been raised by Quebec, it is clear that we cannot lose sight of

the greater necessity to identify areas within the Constitution that require change. Certainly the areas of amending the Constitution and changing the Senate so that it more adequately reflects the interests of the component parts which make up the country are essential.

At the same time, I caution all hon. members and Albertans and Canadians that in the process of making constitutional change affecting the Senate, the province's constitutional responsibilities not be eroded, because to do so would seriously weaken the responsibilities and the attitude that people in the different parts of Canada have towards this country of ours. So it's a delicate issue.

But I can assure the hon. Member for Red Deer North and all members of this Assembly that the subject of constitutional reform of the Canadian Senate as directed by the Legislature during the course of the last Legislature will not be forgotten. I appreciate the hon. member's intervention to discuss with us this evening the importance of that issue, because it can be lost sight of. If we lose sight of it, I agree with the hon. member that we will do so at the peril of Canadian unity and at the peril of losing our identity as provinces in this country. Therefore, I thank the hon. member. I trust that in addition to the issue he has raised, he will share with me my concern and that of the government towards ensuring a rightful place in the Canadian Constitution for the province of Quebec and that we as mature and responsible legislators will recognize the necessity of finding an appropriate solution so that Quebec will sign that constitutional accord and be part fully, as they are not now, of the Canadian Constitution in the years ahead. It will make for a stronger and better Canada.

MR. MITCHELL: Mr. Chairman, I would like to focus largely upon the lack of priority that is being placed on the Department of Federal and Intergovernmental Affairs as a result of the most recent cabinet shuffle, the effort to consolidate the cabinet from 30 cabinet ministers to 25. It seems to me that the only legitimate achievement in consolidating departments would be to save money and to increase efficiency and effectiveness. It's interesting to note in that regard that we haven't saved money and that, for example, ministerial office costs for the 25 remaining departments are at exactly the same level as the 30-department costs were. Certainly the costs of FIGA have not been reduced as a result of this consolidation. So I see that no good has been achieved. Quite the contrary, what we have achieved is to place a lesser emphasis, a lesser priority on the objectives, the task, confronting the Department of Federal and Intergovernmental Affairs at a time when I believe and my party believes that there has never been a greater need for an effective, aggressive, successful Department of Federal and Intergovernmental Affairs.

In the 1970s the department was initiated and the government placed an extreme emphasis on the initiative that was embodied in the terms of reference of a department like the Department of Federal and Intergovernmental Affairs. It was always administered, directed, led by a single cabinet minister, and not just by any cabinet minister but by senior cabinet ministers throughout the '70s and into the early '80s. One of those senior cabinet ministers who had only that task as his responsibility has since become the Premier of this province, which would probably attest to his capability. If it was seen then that somebody of that capability should have only that department, it seems to me that it should be seen now that somebody with extreme capability should have only that department as his or her responsibility.

As a province we were extremely successful in establishing Alberta as a major factor, as an equal actor, in the mainstream of Canadian politics in the '70s and in the early '80s. If we are realistic about the situation Alberta finds itself in at this time in Confederation, we cannot claim that we have sustained that position in this country in our relationships with other provinces and with the central Canadian government. In fact, I would contend that we are being taken for granted in those relationships and that given the structure of this department and the lack of energy in this government, we are not in a position to do something about it. I'd like to elaborate upon that.

Unlike the situation of the '70s where we had a Mr. Getty, a Mr. Hyndman, and a Mr. Johnston with only the responsibility for that department, we now have the Attorney General, who is the same person as the deputy House leader, who is the same person as the MLA for Medicine Hat, who is the same person responsible for — and I can hardly resist saying this — office allocation, and who is, finally, the same person responsible for the Department of Federal and Intergovernmental Affairs. It is clear that this department has been downgraded significantly. That causes a problem today, and it will cause a far greater problem in the '80s and '90s as this province makes its way in Confederation.

We can see the results of this calculated decision, and believe me, results do count. Time and time again we do not see an accounting for results by this government, we do not see the assessment of results against criteria, and we don't even see budget information that compares real expenditure to budgeted expenditure the year before. It is very difficult to measure results. But I want to talk about results of the Department of Federal and Intergovernmental Affairs, because I don't think we're getting them as we should be. We have lost \$1 billion for the Husky Oil upgrader. We have lost \$1 billion to the Atlantic enterprise program. Great; let them have it. What have we got in return? That Atlantic enterprise program is going to be funding primary industry in the maritime provinces. Primary industry is the oil industry, and that competes with us. The government that put that into its federal budget did not even come to this province to explain why they got that to compete with us and we didn't get anything. Our government didn't do very much, if anything, to redress that imbalance. We have lost that \$1 billion, we have lost the \$1 billion for Husky, and we have lost \$600 million in established program funding.

What we haven't lost, which is so obvious and so necessary, is the PGRT. We have not lost that. If I am assessing the results of the Department of Federal and Intergovernmental Affairs, which has the responsibility for our relationships and our success in dealing with the rest of this country, I say it has been an abysmal failure and something has to be done about that. I'm not being critical of the department, the people, or the minister. I'm being critical of the structure, because it is not emphasized in this government and it has to be, because this is not funny anymore. We are in a very, very serious situation in our relationships with the rest of this country.

Let me talk a little bit about the specifics. The Department of Federal and Intergovernmental Affairs has to be responsible for negotiating strategies. Well, we've developed a first-class negotiating strategy when it comes to getting the PGRT, when it comes to getting oil revenues redressed and that imbalance redressed for Alberta. What's that strategy? That strategy is for us to stand up and tell the world that we have a \$15 billion Heritage Savings Trust Fund liquid

savings account. We hear it time and time again. It becomes a matter of pride for this government to say that we have acquired \$15 billion in savings and somehow that makes us special and somehow that makes us strong. I'd like to quote the Treasurer, who stated this very clearly on Thursday, July 31:

Everyone knows that the investments of this Heritage Savings Trust Fund have caused worldwide attention.

Great; let's brag about that.

Other parts of the world have looked to us and said, "I sure wish we had that opportunity to maximize potential for revenues."

I submit that that very statement and the message it embodies, the message that it means we are transmitting to eastern Canada all the time, has become a critical obstacle to our ability to successfully negotiate with Ottawa to get our PGRT and to get some of the \$56 billion back. In fact, the Heritage Savings Trust Fund doesn't have \$15 billion of liquid, accessible money: \$2.5 billion of that is in parks and capital projects. It has been spent. Eight billion dollars of that has been loaned to Alberta Crown corporations. That's been spent. That created jobs yesterday; that's not going to create jobs tomorrow. That's \$10.5 billion of that fund which is gone. It's not there, and it's not something we should be bragging about. What it leaves is about \$4 billion. If you assess \$4 billion — and even that is of questionable liquidity — against a \$2.5 billion to \$3 billion deficit, we've got a year and a half and the Heritage Savings Trust Fund has in effect gone.

MR. CHAIRMAN: Order please. The Chair is having a little difficulty relating the Heritage Savings Trust Fund, which is going to have its 12 days in this court with the estimates under consideration. Could you bring that back around to this department?

MR. MITCHELL: I will, Mr. Chairman. I'm right at my point now. My point is an important point; that is, we say we have this money and we say we're rich. We continue to say that, and Ottawa says, "Why should we give you the PGRT if you're so rich?" Ottawa is filled with politicians as well, and they have to develop political consensus in order to do what they have to do. If eastern Canadians believe that Alberta is rich and doesn't need that money, then we will never get that money. A critical feature of any negotiating strategy for this government should be to telegraph quite a different message to Ottawa. I would like to see some creativity in developing a strategy of negotiation with Ottawa so that we get the kind of results ...

MR. HERON: Have you heard of the truth?

MR. MITCHELL: Yes, I've heard the truth.

So that we get the kind of results we need for Alberta in one of the most critical areas, and that is in the area of federal and intergovernmental affairs, our relationships with central Canada.

Much has been said about foreign offices. I believe they're discredited in Albertans' eyes by patronage appointments. If they are to be effective, we have to have the best people we can find for those jobs. We should be advertising for those jobs. There is \$2.7 million budgeted this year. My concern, which has been a concern of several members in this House, is that there is very little accountability and very little relationship of that expenditure to results. I'm not arguing that we shouldn't have those offices.

What I would like to see is a clear-cut set of criteria and a clear effort at measuring the results of those offices. I want to see how many trade missions are generated by the London or the Hong Kong offices. I want to see how many Alberta businessmen are set up for meetings and approaches to their counterparts in these countries. I would like to see what kind of trade results come from those missions and those meetings. That isn't impossible to discover. If we can't measure those results, we can't manage those offices, and at some point we have to say they're not as necessary as we might dream them to be.

I would like to ask some specific questions. I would like to know how the minister will allocate his time between his four areas of responsibility. What sort of time and attention will the Department of Federal and Intergovernmental Affairs receive? What emphasis will he place on it? Can he spend the kind of time that is needed? I underline that point. In one of his responses to a question in the House a week or so ago, he said, "Yes, it dovetails very well with my responsibility for the Attorney General's department, because, of course, intergovernmental affairs is concerned with things like the Constitution." Believe me, there are things far more important for intergovernmental affairs to be contending with than just the Constitution, although that is important.

Secondly, what strategy has he to tell the world that we are not as rich as this government would want us to believe so we can use the reality of that as an important feature of our negotiating strategy with Ottawa? Thirdly, could he elaborate and give us some specifics — we've been asking about them for a long time — on how it is that we're approaching meetings such as this upcoming Premiers' conference? What kind of agenda have we got? Is it tighter than the one that was announced to the public, which said the Premiers would be discussing the economy and trade and was not particularly specific? If we don't have specifics, nothing will be accomplished. Can he tell us what it is that Alberta wants to accomplish from that particular meeting? Not the other provinces but Alberta. What are our objectives? What are the ends we hope to achieve? Can he tell us, for example, whether we are preparing position papers to be discussed and whether we have asked other provinces to prepare position papers for presentation? How is it that we are going to focus the discussion of that meeting for the good of the 10 provinces concerned but also to achieve the ends of this province?

Thank you very much, Mr. Chairman.

MR. HORSMAN: Well, Mr. Chairman, I hardly know how to respond to such comments, but it's interesting to note that at least the member who has just spoken hasn't urged that no money be spent on intergovernmental affairs. I can assure members of the committee that there is every intention of this government to maintain the highest possible priority for our relationships with other provinces, the federal government, and the governments in other parts of the world as part of my responsibilities as the minister.

I don't intend to answer the remarks about my lack of capabilities, but I do want to say that I resent the comments the hon. Member for Edmonton Meadowlark has launched against the people who are serving this province in our foreign offices. Those people are distinguished, outstanding Albertans. I can tell this House, and I want it on the record in *Hansard*, that allegations that these fine Albertans who are doing an excellent jobs in our foreign offices are in any way unqualified for the positions that they hold ...

[interjections] The hon. Member for Edmonton Meadowlark now asks what they do and how do we know. I would suggest that he read the annual report of the department. There is a very thorough outline of the activities of the foreign offices individually listed in the annual report, and if he hasn't got the time to read it, I'm sorry. Surely he should go there if he wants information.

The hon. member has, like the other Liberal who participated, a short memory and is apparently prepared to abandon long-held beliefs, such as support of free trade, that the Liberal Party has always stood for. Now this member has abandoned his support of the national energy program which raped and plundered Alberta. We have been telling that to the people of Canada as a government. It's not the responsibility of the Department of Federal and Intergovernmental Affairs to run every department and to negotiate every deal on behalf of the Minister of Energy or the Provincial Treasurer.

We have been telling the people of Canada that what has gone into the Alberta Heritage Savings Trust Fund is money from a depleting natural resource owned by the people of Alberta. We have been saying to the people of the rest of Canada over the years that the Heritage Savings Trust Fund has been in existence that they should not treat it as anything other than a rightful putting away for the future citizens of this province of what we earn or obtain in a modest way from the depleting natural resources of this province. We as a government have told that time after time after time to the people of this province, and we will continue to do so.

As to the Premiers' conference which is coming up next week, what are Alberta's objectives? Alberta's objectives are to obtain agreement from the 10 Premiers who will be in attendance, as well as the two leaders of the territorial governments who will be there as observers, that energy issues are not solely provincial issues but national issues which must be addressed by all governments, including the federal government, the 10 provinces, and the territories.

As well, we will be seeking agreement that the agricultural industry in this country is facing serious problems and that we must tackle those problems as a nation, not solely as provincial governments squabbling amongst themselves. We must adopt a national agricultural policy based upon agreement and understanding amongst the provinces and the federal government when it comes to dealing with our agricultural trade. I remind hon. members that we would die as a nation or suffer the worst kind of material loss for the people of this country if we relied solely on internal and domestic consumption of our agricultural products. We must trade into the world. We've got to emphasize that in our discussions on trade. That's another agenda item.

We've got to talk about the process in which we're involved with the federal government and the other provinces relative to dealing with our bilateral discussions with the United States. We've got to get agreement at the meeting coming up next week, then further on during the course of the discussions which will take place with the federal government, and later in Vancouver with the First Ministers' Conference on the economy. We've got to achieve consensus among the provinces to pursue aggressively the trade objectives of Alberta, the other provinces, and Canada. We've got to ensure that there's agreement that we take an active role as provinces in the General Agreement on Tariffs and Trade negotiations and not be shut out from full participation in the GATT as we were by the Liberal Party when they were in office in Ottawa.

MR. TAYLOR: The Tories have even locked the door now.

MR. HORSMAN: No. Quite the contrary. The Conservative government in Ottawa has invited provincial representation on the GATT team, Mr. Chairman, and that is an achievement of this government and no small achievement, I might add, of the dedicated people of Federal and Intergovernmental Affairs.

As I said in my remarks in reply to the comments of the Member for Red Deer North, we've got to have serious discussions and arrive at some process by which we discuss making Quebec a full partner again in this Confederation.

Those are the Alberta objectives briefly outlined. If any members of this Assembly don't agree with them, I'm sorry to hear it.

MR. MITCHELL: It's the first time we've heard them; that's why.

MR. HORSMAN: Well, I hope I've satisfied the hon. Member for Edmonton Meadowlark that I have some grasp of the issues facing the department which I have the honour to head, going into my second term as minister of this department.

MR. TAYLOR: Exposed to us for another week, he will sound brilliant.

MR. HORSMAN: Listen; exposed to the hon. Member for Westlock-Sturgeon, anybody could sound brilliant.

MR. HAWKESWORTH: Mr. Chairman, I'd like to address my comments this evening on the issue of free trade. I'd like to follow up on some of the comments made by the hon. minister and some of my colleagues here earlier this evening. But as a general rule I'd like to start out by passing out some compliments, just to let the people in his ministry and on his side of the House know that there are some things that I agree with from time to time, and I would like to commend them or welcome the two commitments that have been made in this Legislature in recent weeks. The first commitment is that a proposed bilateral trade agreement with the United States will be brought before the Legislative Assembly for ratification. I have some concerns about the process of doing that, which I'll get to later, but I think that commitment should be welcomed. Second is a commitment from the Premier that studies being conducted by others and by this government will be made available to the greatest extent possible. In fact, he made a commitment that the hon. minister's department would prepare an inventory of studies and that those would be tabled in due course. I would like some indication from the minister, if he can give it tonight, as to when that inventory will be completed and when at the latest he will be prepared to table the studies in that inventory, including studies that have been done by his government.

I'd like to frame my remarks this evening, Mr. Chairman, around four points: first of all, the stated objectives that Alberta would like to see achieved in bilateral trade talks; secondly, the evaluation process, if any, that might be in place to measure any proposed costs and benefits of a proposed bilateral trade agreement; thirdly, some clear statement as to provincial powers and jurisdictions in this whole area of negotiation and of proposed agreement; and fourthly, the procedure for ratification.

Mr. Chairman, this evening the hon. minister stated, as I gather, two objectives for this government in the area of bilateral trade arrangements with the United States. One is to achieve a better standard of living, I presume a higher standard of living for Canadians, and secondly, to maintain or enhance the access of Canada to American markets. I don't think that we could argue with the sentiment behind those.

We have discussed in this province for 10 or 12 years or more how important it is to diversify our economy. We have talked about the dangers of relying solely on one or two primary commodity industries for the economic well-being of this province. There has been lots of discussion and rhetoric about extending our reliance and putting eggs into other baskets so that we have lots of options available and we're not dependent on only one or two commodities subject to international whims and price fluctuations. If that is a worthy objective, and no doubt it is — I agree with it and no doubt this government agrees with it because they've been preaching that for 10 or 12 years — then the question is this: why would we decide as a nation to tie ourselves ever more tightly to one market, that being the American one? Surely we've learned something from not having a diversified economy in this province as to what happens to an economy when things outside our control put those commodity prices into a nosedive.

We are, Mr. Chairman, in those circumstances completely at the whim of forces outside of our nation and outside of our province. Our economy is buffeted by what happens to those two or three commodities. By the same token, should we not be putting our emphasis on expanding our trade into other markets so that we don't inordinately depend for the well-being of our economy on only one economy, that being the American economy? Surely we must diversify and enhance our trade arrangements so that we'll be able to withstand any downturns which our American neighbours might experience and which would have an inordinate effect on the economy in this province and this country.

[Mr. Hyland in the Chair]

Explicitly stated, Mr. Chairman, such an objective of increasing our access to American markets says to me that what we should be doing is pushing with all emphases trade arrangements in the Pacific Rim, with Europe, and throughout Asia, and diversifying our interdependence on those other economies, not emphasizing our dependence on one economy, that being the American one. So it would bring me to the conclusion that our greatest hope for success rests with the next GATT round of negotiations. Like the hon. Leader of the Opposition, I remain skeptical as to what we will achieve in the present round of talks with the Americans.

My second point, Mr. Chairman, has to do with the evaluation process. Having stated some objectives already this evening, I'd be interested to know what the Alberta government has done in terms of evaluating any proposed trade agreement that might be presented to Albertans for ratification. He mentioned that the interests of Albertans will be protected by this government. How will they be protected? Is the minister simply saying to the House this evening, "Trust us; just leave it up to us; we'll look after you"? Or have they got in place an evaluation process so that they can look realistically and in a hard-nosed way at any proposed agreement that might be presented to them?

Mr. Chairman, this concerns me because everything we have seen so far in terms of studies that have been released indicates that Alberta would lag behind other provinces in a bilateral trade agreement with the United States, particularly because of our reliance on agriculture and energy. Indeed, a study in 1984 prepared for the Ontario Economic Council predicted employment declines in 13 sectors. Some of those sectors are key players in Alberta's economy. They include petroleum, agricultural equipment, food and beverages, and wood, among others. I think it's important for the minister, while he has the opportunity this evening, to outline for us what evaluation process they're prepared to undertake. I have some comments and suggestions at the close of my remarks that might help him in that.

We've heard much said this evening and in recent weeks and months about the countervailing duties that have been imposed by the Americans on cedar shakes and shingles from British Columbia. Those countervailing duties were imposed because of what Washington considered unacceptably low provincial stumpage rates. These rates are similar to the royalty rates that Alberta sets for its natural gas and oil resources, which indicates to me that many provincial powers and jurisdictions are going to have a key place in the bilateral trade negotiations going on in Washington. It's fine for the minister to say, and I appreciate that he says it, that the responsibility and jurisdictions of the provincial governments are not going to be surrendered. That's good, because this government waged a vigorous defence of those rights against the Canadian government during the 1970s and 1980s. I hope we would not give any less of a fight to a foreign country than we would give to our own Canadian government in terms of protecting those rights, powers, and jurisdictions.

I would like to know, though: will Alberta be prepared to allow secure long-term access by the United States to our resources on the same basis as Albertans and Canadians presently enjoy? I think that's an important question. Do Americans have the same right to access to our natural resources under this agreement as Albertans and [Canadians]?

How will a bilateral trade agreement be administered, and how will it be enforced? Will the federal government need to set up some kind of super watchdog agency that would have an arbitration function or power so that it could decide in a final way over all provincial programs and legislation to determine whether the terms and conditions of those provincial programs and legislation violated any such bilateral trade agreement with the United States? Again, a very important point. Once a trade agreement is reached, if it's ever reached, how will it be enforced to ensure that the provincial Legislatures do not enact legislation or programs that undercut or undermine that bilateral trade agreement?

We mentioned earlier this evening that Alberta, as all the provinces are, is responsible for delivering numerous social programs, programs which were referred to earlier as a social safety net, programs which enhance the quality of our society. I was pleased that the minister said earlier tonight that a better standard of living for Canadians was the objective of these bilateral trade negotiations with the United States. Surely part of the better standard of living for Canadians is the social safety net which we have erected in this country over the last 20, 30, or 40 years.

We're not trotting out this concern. If the American negotiator, Mr. Murphy, had quite clearly and unequivocally stated that these programs would not be on the negotiating table, no one would be raising them as a concern, but he

has said that everything is on the table, which raises concerns and questions in our minds as to what is going to be negotiated as part of this agreement. I would hope that somebody in a position of authority and responsibility will do something to ensure that Mr. Murphy makes it unequivocally clear that Canada's social safety net is not on the table, because it keeps raising the question in the back of the minds of many Canadians of whether these programs are going to be jeopardized in the future in order to "harmonize" taxation levels with those that exist in the United States. Will we have to give up our social programs in order to harmonize those taxation levels?

I'd like to speak, Mr. Chairman, about the ratification process. A bilateral trade agreement with the United States, depending on what is contained in that agreement, could profoundly alter or potentially alter the economic, social, and political fabric of this country.

[Mr. Gogo in the Chair]

I don't know whether anybody in this Assembly ever wondered how Hawaii became the 50th state, but it started in the 1870s with a free trade agreement with the continental United States. It started over the export of a raw commodity, that being sugar. Because the economy of that island was so dependent on sugar and it was treated in such a way by the American Senate and the American government over a period of 15 to 20 years, finally the people of Hawaii would not live any longer with the anxiety of being outside the jurisdiction of the United States and began a movement for annexation, which culminated in the 20th century with Hawaii being made a 50th state of the United States.

By a similar token, depending on what's contained in this trade agreement, there is a potential that the political, social, and economic life of this country will be profoundly altered. It's inconceivable to me that we could be in the midst of such negotiations without having any idea of how such an agreement might be ratified. Does Alberta have a veto? Does Ontario have a veto? Does Quebec have a veto? Do four provinces or seven provinces constituting more than 80 percent of the population of Canada have a veto? I don't know. That hasn't been worked out. But as the minister said earlier, if the provinces were to be intimately involved in the process throughout, the amount of time and concern being spent on a ratification process after the agreement is reached would be correspondingly reduced, which is why we've said on this side of the House that the provinces should have a seat at the negotiations.

The kind of briefing process set up is not sufficient in order to be fully briefed on the nuances of that negotiation. Nevertheless, we're into that process, and I would suggest that ratification of a proposed trade agreement ought to be a matter of the highest priority, because we have the right to protect our interests as a province in that process.

In addition to that, Mr. Chairman, not just whether we have a right as one province to opt in or opt out or what weight our vote as a Legislature might have, is also a concern that we will be presented with a proposed agreement and a gun will be put to the heads of Canadians to ratify this agreement. That is, some artificial deadline of a very short period of time would be imposed, and people would be stampeded into giving their support to it without fully understanding what the implications of that agreement might be. If nothing else, the Premiers when they meet next week must make a clear statement that they will not tolerate a ratification time frame which includes a gun-to-the-head kind

of deadline by which those ratification decisions must be made.

Having outlined a number of my concerns in terms of these four areas, I'd like to make a number of suggestions to the hon. minister within his jurisdiction that I think would improve the process which we're presently engaged in as a nation. Firstly, all studies in the hands of the provincial government which pertain to the effect which a bilateral trade agreement would have on Alberta should be released immediately, and as I mentioned earlier, that was a commitment that was given previously in this Assembly.

Secondly, a procedure for ratification of any bilateral trade agreement should be brought before the Legislature for review and endorsement.

Third, as I've stated, I maintain the quarterly reporting structure that has been set up is inadequate, and I appreciate that it's being reviewed on an ongoing basis and may well be amended in the future. I still recommend nevertheless that Alberta ought to maintain an observer's seat at the trade talks.

Fourthly, should a tentative agreement be reached, it must be subjected to public scrutiny, and this is why I believe a gun-to-the-head deadline is not acceptable. We need to allow an all-party, ad hoc committee, a standing committee of the Legislature or whatever, mandated to conduct public hearings and receive the views of Albertans on this important matter.

I also asked some many weeks ago of the Premier whether Alberta was considering a commission of inquiry or review similar to that which has been set up in our neighbouring province of Saskatchewan. This is another suggestion which is, I guess, a variation on a theme that there ought to be some way for the public to have input into the review process and the evaluation process.

Fifthly, and this is a related point, Albertans will need the opportunity to make informed comments. You can't just immediately bring out a proposed agreement, set up a committee, and in a matter of weeks proceed throughout the province. We need a breathing space of six months between the announcement of the terms of a proposed trade agreement with the United States and the beginning of public hearings, which would allow various groups and individuals the opportunity to study it in detail, consult with their respective bodies, and get a mandate for thoughtful, well-thought-out, and well presented briefs to such a committee or commission of the Legislature.

Finally, presuming that we get to the point of having a proposed bilateral trade agreement presented to this country, the terms of that agreement should be submitted to the Legislature in conjunction with the report of this ad hoc committee which I've already proposed. That report should review those terms of agreements and should recommend the adoption of some, all, or none of the proposed bilateral trade agreement provisions. It would seem to me that this process, Mr. Chairman, would safeguard in a concrete way the interests of Albertans.

I'd like to make two final comments rising out of statements made earlier by the hon. minister. He's indicated that water exports — I take it he stated water exports will not be on the table. I'm pleased to hear him say that, because there are some who've expressed the concern that when you want to reach an agreement, in order to force an agreement you have to put something on the table that the other side wants. There is a concern that water will be the one factor that would bring Americans to making a bilateral free trade deal with Canada. So if water exports

are not on the table, I think a lot of concerns will be alleviated and relieved.

Finally, the matter of nontariff barriers from the point of view of the Americans. Is the United States prepared to give up the power to impose countervailing duties and antidumping legislation as it affects trade from Canada? They say, no, they are not prepared to give up those powers. If they're not prepared to, I don't know what we're going to get out of this agreement. Perhaps they will give that up if they get the right, in turn, to determine what they can do within Canada to direct our economic and trade policies. So in order for us to get the United States to give up its power and jurisdiction to impose countervailing duties and antidumping legislation, we may have to give up some of our sovereignty.

I'm not sure whether — and I remain skeptical — that is the kind of agreement Canadians want in order to achieve, presumably, these two objectives mentioned earlier: a higher and better standard of living for Albertans and for Canadians and, secondly, to maintain access to American markets. Again, Mr. Chairman, we remain skeptical. We place these concerns on the public record and, despite the fact that we have a lot of concerns about the process of this bilateral trade agreement, we make those suggestions for the consideration of the government.

Thank you.

MR. HORSMAN: Mr. Chairman, I want to thank the hon. Member for Calgary Mountain View for having asked some intelligent and reasoned questions relative to the whole process. They are questions which have been and must be asked by the government, Albertans, and Canadians as we proceed in this whole major endeavour. But I would ask the hon. member and the members of his party not to be paralyzed by fear or skepticism from the process that we're now engaged in. We'd be the biggest fools who ever sat on the government benches here if we were to go blindly into this process without asking the same questions, but there comes a time when you must take some steps. Those steps that we have undertaken to date have been careful, well considered, and cautious relative to protecting the interests of Albertans and Canadians in the future. I repeat: we are a trading nation. Without the trade that this country is engaged in around the world as well as with the United States, our standard of living would be decimated. I repeat that.

The hon. member refers to the social programs that have been introduced by this and other governments. The fact of the matter is that if we were not a trading nation, there is no way on God's green earth that this nation or this province could afford to maintain those social programs. We depend on trade. So let's not hide our heads in the sand. Let's get involved in these discussions. Let's ensure that Alberta and the other provinces have a proper place in the process by which we enter into these negotiations with the United States of America, keeping in mind what I said earlier in my remarks today, that we are not solely interested in the subject of the bilateral discussions; we are also vitally interested in ensuring that the province has a place and a role to play in the multinational trade negotiations.

I draw the hon. member's attention to the fact that while it is not part of my budget, on March 7 this year the Premier announced the appointment of the Alberta trade representative for the upcoming bilateral — Canada/U.S.— and multilateral trade negotiations. In effect, we appointed

an equivalent to Ottawa's trade representative. I want to explain what we are doing. That office of the Alberta trade representative includes officials from the departments of economic development, Agriculture, Federal and Intergovernmental Affairs, and others as necessary. The mandate of the office is to ensure that Alberta's interests, objectives, and priorities are fully taken into account in both the bilateral and multilateral negotiations. Therefore, we will be represented at federal/provincial and, where appropriate, international meetings.

The trade representative reports to the newly established cabinet international trade negotiations task force which I chair. Other members include the Provincial Treasurer, the Minister of Economic Development and Trade, and the Minister of Agriculture.

Under the direction of this ministerial Task Force, [the Alberta trade representative] will be responsible for coordinating Alberta's preparations and continuing involvement in both the Canada/United States and multilateral discussions. This will include coordinating the responses, proposals and initiatives of all Alberta government departments, agencies and commissions.

We also want consultation with the private sector, as appropriate, to ensure that the private sector's views are reflected in Alberta's positions.

I've read in part, Mr. Chairman, from a news release of March 7. Those procedures and processes have been followed by our trade representative in trying to seek the objectives of protecting and enhancing Canada's trade not only with the United States of America but with the rest of the world. The hon. Member for Calgary Mountain View talks about forces outside the province impacting upon the province, and certainly they have, they do, and they will. We've seen the dramatic impact of those forces over which we have no control. That relates in two cases, particularly hard-hitting to our two primary industries, energy and agriculture. That's why it is essential that rather than acting alone to try and protect our own interests here, we act in concert with the other provinces and the federal government. We hope, by a bilateral agreement with the United States which will protect and preserve our traditional markets there and within the General Agreement on Tariffs and Trade, to be able to withstand these international forces that affect the Alberta markets.

I repeat once again that unless we trade into the world, there's no way that this province, this government, or this country can afford the social programs which are, in my opinion and the opinion of this government, the finest social programs available to people in this world. During the course of our discussions and negotiations with the United States, I think it's important the hon. member hung out another scarecrow as to what happened to Hawaii. I think it's important for us in the process, while we're going through our discussions with the United States, to look at where successful free trade negotiations and agreements have been entered into in recent years. I refer to the United Kingdom/Ireland free trade agreement. We've got to be looking at that. That was very, very successful for Ireland. The Irish think that's the best thing that ever happened to them until they got admitted to the European Economic Community. The hon. Leader of the Opposition can laugh, but it only proves that he's laughing at something he hasn't read much about or talked to people about.

Another example we should look at is the current and relatively new agreement entered into between Australia and New Zealand. All the reading that I have done on that

subject and the people I have talked to, both the high commissioner from New Zealand to Canada and people who represent Canada in Australia, have indicated that that agreement is working out very effectively for the benefit of both those countries, one much smaller than the other, as is the case between Canada and the United States. We can look at those examples and learn from what they've done and not be afraid.

At least the hon. Member for Calgary Mountain View is prepared to go ahead with the discussions, unlike some other people in Canada who say, "Don't even talk." I would remind the hon. member that that was the position of the national party with which he is affiliated. When the first hint came that we were going to start discussing free trade with the United States, they issued a document which said — and I have it — don't even talk about it. Faint heart never won fair lady. But I appreciate what I said earlier in my remarks in reply to the Member for Mountain View, that he has made some useful suggestions. At least they aren't just knee-jerk reactions which say: "Don't talk. Don't even discuss free trade with the United States. Woe is me!" The Mel Hurtigs of the world, Liberals.

At least there's some inkling from the Member for Calgary Mountain View that there's something to be gained in the process, and he's prepared at least to enter into the discussions, albeit hedged around with all kinds of "Woe is me! It may be a terrible thing. The sky is falling." I certainly won't hang the epitaph of Chicken Little on the Member for Calgary Mountain View, because he may be closer to Turkey Lurkey; I don't know. There are some reasonable suggestions that have been made in his quite useful remarks which the government will take under consideration and advisement during the process.

I want to repeat what I said. We are approaching this in a serious, careful, and considered manner. The budget, which we are seeking approval for — which is part of the budget of the Department of Economic Development and Trade — for the office of the Alberta trade representative this year is \$985,000. We will approach this whole process with care and caution. As to the ratification process, as we enter into the discussions this coming week with the other governments and further to that enter into discussions at the first ministers' level shortly after the beginning of next month, hopefully followed by further discussions involving designated ministers leading up to the next First Ministers' Conference, we will be satisfied, as will the other provinces, that we are in fact being fully consulted, fully involved in the process, and that eventually ratification — that big question mark. It's a legitimate question mark. How will such an agreement, if entered into, be ratified? We can't tell that at this stage. My view is still that if we are involved in the process right through to the end, the ratification process will be *de minimis*, or very little, for those of you who are not Latin scholars.

I do thank the hon. member for at least having been reasonable in offering some considered suggestions, which the government will review as we proceed under this very difficult and challenging opportunity facing Albertans and Canadians in the months and the years ahead.

MS LAING: Mr. Chairman, I would like to address the issue of nuclear disarmament, peace, and justice. Yesterday was the 41st anniversary of the dropping by the United States of the first atom bomb. With that event a new word came into the language, "Hiroshima," which came to mean impersonal and indiscriminate annihilation of a civilian popu-

lation. With that event also came a new era in human affairs, which was reinforced by the dropping of the second atom bomb on August 9, 1945.

MR. NELSON: On a point of order, Mr. Chairman. I'd like to know what the relevance of dropping bombs is to the minister's budget tonight.

MR. CHAIRMAN: Perhaps the Member for Edmonton Avonmore will come around to that with regard to Federal and Intergovernmental Affairs. [interjections] Order please. Let's give the member the floor.

MS LAING: Mr. Chairman, this is to deal with our relationship with the federal government — our provincial government and federal government — in terms of the testing of the cruise missile and low-flying bombers over our lands and through our air space. I would like to lay groundwork for this.

I would pose my questions then in the context of a vigil that I attended last night and a memorial service for the victims of Nagasaki and Hiroshima. A song was written and performed for this commemoration service. The first lines were:

In the image of God created we stand,

With the power of peace and of war in our hands.

I think those are issues we must address. We now have the explosive power of more than a million Hiroshima bombs, equivalent to 15 billion tons of TNT or three tons for every man, woman, and child on this earth. In 1982 world military expenditures exceeded \$19,000 per soldier while public expenditures on education were \$380 per child. The expenditure of a world level of \$180 per capita for military spending compared to 6 cents per capita for international peacekeeping. In this context we try to build our sense of security through defensive and offensive systems that create insecurity in other peoples. But as Albert Einstein has stated:

Our defence is not in armaments, nor in science, nor in [the] underground. . . . Future thinking must prevent [future] wars.

We must, I believe, come into a new way of thinking, a new understanding that we cannot be secure by making other people insecure and that in the end we will share the outcome of our efforts, whatever they will be, and they will be shared throughout the world.

I believe, as all New Democrats and many Albertans do, that peace must come through negotiation, mutual compromise, and a desire to work together for the betterment of everyone. We do not believe that peace will be accomplished by continuing the buildup of nuclear arms, the testing of new weapons, and the reliance on a super power, specifically the U.S., which has alternate interests at heart.

Just recently it was brought to the public's attention that low-level flights over Alberta of American bomber jets would be happening. Prior to the story hitting the media, the minister responsible — that is, of Federal and Intergovernmental Affairs — did not know or did not appear to be aware of this situation. He seemed to be satisfied that once the decision was made, he would be notified of the location and the time of the flights.

My first question then is: does the government believe that any matter of federal concern should receive only federal input, although it may have effects or consequences on specific areas, that is, provinces of this country? This appears to be the position of this government in regard to

land and air space in the testing of American defence equipment. It is in direct contrast to the government's position in regard to free trade negotiations, and I would like the minister to comment on this.

The low-level bombers may well have detrimental effects on our environment and on our peoples, and I understand the Alberta government will be asking the federal government to undertake a federal review as to the effect of these low-level flights. I'm wondering if the government will be doing that, if the government itself will be undertaking such a study, and if this is carried out, when will it happen, who will do it, and what will be the guidelines?

The other area that I would like to address is in terms of the economy and job creation. I strongly disagree with the creation of jobs in the armament industry. I believe that if we are going to diversify our economy, we must do so through developing socially acceptable industries and not defence systems. If we become dependent on the building, researching, and testing of the war machine for jobs, how can we ever stop the buildup of armaments and arsenals?

Recently General Systems Research, an Edmonton-based company, received a contract to build a laser-guidance system. Western Aerospace Technology will be providing advanced aerospace services, particularly to the department of defence, with the help of a \$1 million loan from this government. Does this government feel that defence-related employment is productive, helpful employment? Is this government going to continue advancing the arms race using taxpayers' money supporting these types of companies? [some applause] You will share in the end. Will this government review and implement criteria that will [prevent] defence-related industries from receiving taxpayers' money through financial support? Will this government encourage diversification through productive industries? Will this government use political will and leadership to develop an economy of peace that serves human needs and not human destruction?

I would suggest that money spent on research for war is money stolen from research for life and human betterment. Numerous individual Albertans as well as organized groups have protested against the use of our province for cruise testing as well as other tests, research, and production that add to the nuclear war. Today, approximately \$1.3 million is spent on military budgets every minute. Strategies to stop the destruction of our world must be implemented. Various villages, towns, cities, and countries around the world have declared themselves nuclear-free zones. The province of Manitoba did so in May of 1985 with unanimous consent. We had at this Legislature on July 13 a group of young people, Youth for Peace, that stated they had petitioned the government in 1985 to declare Alberta a nuclear-free zone. I'm asking the minister: what is his commitment to this, and will he allow a free vote on this issue in the Legislature so that all Albertans may have a say in their future?

The third issue I'd like to look at is free trade and how it relates to our staying free in terms of our involvement in the military. It would seem to me that we may well put our freedom to determine our military involvement and our peace-building activities on the table. I would ask the minister what assurances he will give us that we will not have to participate in the American military buildup and mentality, and how free will we be as Albertans and Canadians to determine our own political destiny? I would suggest that Chile, Grenada, and Nicaragua may be instructive, and I would ask the minister what assurances he can give us in this regard.

Thank you.

MR. HORSMAN: The hon. member might very well ask about Afghanistan if she's so concerned about peace in the world. I might just say that her speech sounds like something that was dragged out of a pacifist Labour member in the United Kingdom Parliament before Munich. The hon. left-wing member of the NDP across the way is prepared to lie down and take it and let them walk all over us. Is that what we're supposed to do? I suggest, Mr. Chairman ... [interjections] Oh, and so saith the preacher across the way. Oh, it's marvellous. It's so wonderful. These meek little people who are prepared to take everything lying down.

I support and the government supports Canada's obligations under NATO. I support and the government supports Canada's obligations under NORAD. I know that the NDP is against the NORAD agreement. And I say this: thank God that we have the United States of America to protect us because, by God, we couldn't do it ourselves. [interjections]

The hon. member has asked for it. I have read some of her comments before in this Assembly, and I can say that if those are the views of her party, they will never obtain the support of the majority of the people of Alberta because we know ... [interjections] We know of these pacifists who were prepared to let Hitler walk all over Europe. I tell you that same type of speech was made by the Labour pacifists before World War II, and I tell you: thank God we had people who were prepared to stand up to this.

Now the hon. member has asked some specific questions amidst her pacifist rhetoric. She says, "Does this government believe in creating jobs in the defence industry?" The answer is yes, because our defence industry is just that: defence. This country has never been an offensive nation, ever. We have always sought peace, and we have had to fight for peace in the world, and that we should be prepared to continue to do.

What, pray tell hon. members, are socially acceptable industries? Socially acceptable industries by whose standards? Well, we have no nuclear arms in Canada, and yet the hon. member stood up and said we have nuclear capabilities of destroying the world. That is not true. Canada is not a nuclear power and has not been for a long time. Even then — I remember. I was a member of the Progressive Conservative Party of Canada when John Diefenbaker said, "We do not want to have nuclear armaments on Canadian soil." I supported his position then, and I support that same position today. I don't want them here. And they are not being tested in Canada, they are not being tested in the cruise, and they are not being tested in the low-level bomber missions that are taking place. Anybody who pretends that they are is misleading the people of this province and Canada.

AN HON. MEMBER: Typical, typical.

MR. HORSMAN: I say I stand for peace. All of us do. I note the hon. member has an item on the Order Paper, and we'll discuss this one of these days. There are ways of serving peace in this world, and one of them is certainly not to just fold up our little hands and say, "A nuclear-free zone." I hope we always remain a nuclear-free zone, but passing a resolution in this Assembly, if hostilities do break out, will not stop our enemies from coming over

Alberta and attacking this province. I say that that type of hypocrisy and foolishness is just a waste of time.

Mr. Chairman, in view of the time, I move that the committee rise and report.

SOME HON. MEMBERS: Coward.

MR. CHAIRMAN: Order.

[Motion carried]

[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. SPEAKER: Opposed, if any? Carried.

MR. HORSMAN: Mr. Speaker, tomorrow morning we will have under consideration in Committee of Supply the estimates of Treasury.

[At 10:45 p.m., on motion, the House adjourned to Friday at 10 a.m.]

