

## LEGISLATIVE ASSEMBLY OF ALBERTA

Title: **Tuesday, June 9, 1987 2:30 p.m.**  
Date: 87/06/09

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

[Mr. Speaker in the Chair]

## PRAYERS

MR. SPEAKER: Let us pray.

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

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

Amen.

## head: PRESENTING PETITIONS

DR. CASSIN: Mr. Speaker, I would like to present a petition from the Calgary Coalition for Life with 13,400 signatures from throughout Alberta, praying that the Legislative Assembly of Alberta do everything in its power as administrators of federal law governing abortions to curtail this tragic waste of life.

MR. MITCHELL: Mr. Speaker, I would like to present a petition received in my constituency office last week, signed by 476 people in the Edmonton area protesting cutbacks to family and community support services; that's provincial funding which provides funding for the West Jasper Place Neighborhoods Association.

## head: INTRODUCTION OF BILLS

## Bill 39

## Appropriation (Alberta Capital Fund) Act, 1987

MR. JOHNSTON: Mr. Speaker, I request leave to introduce Bill 39, Appropriation (Alberta Capital Fund) Act, 1987. This is a money Bill. Her Honour the Honourable the Lieutenant Governor, having been informed of the contents of this Bill, recommends the same to the Assembly.

[Leave granted; Bill 39 read a first time]

## Bill 40

## Appropriation (Alberta Heritage Savings Trust Fund, Capital Projects Division) Act, 1987-88

MR. JOHNSTON: Mr. Speaker, I request leave to introduce Bill 40, Appropriation (Alberta Heritage Savings Trust Fund, Capital Projects Division) Act, 1987-88. This being a money Bill, Her Honour the Honourable the Lieutenant Governor, having been informed of the contents of this Bill, recommends the same to the Assembly.

[Leave granted; Bill 40 read a first time]

## Bill 274

## School User Fees Elimination Act

MS LAING: Mr. Speaker, I request leave to introduce Bill 274, being the School User Fees Elimination Act.

This Bill would amend several sections of the School Act to remove those sections that would allow the imposition by a local board of user fees. For example, boards could no longer sell or rent instructional materials and supplies to pupils nor could it charge tuition fees and transportation fees for children attending an early childhood services program.

[Leave granted; Bill 274 read a first time]

## head: TABLING RETURNS AND REPORTS

MR. M. MOORE: Mr. Speaker, I have the honour of tabling with the Assembly the annual report of the Department of Hospitals and Medical Care for the year ended March 31, 1986. In addition to this report, there are two supplements to the report that deal, firstly, with statistical information on the Alberta health care insurance plan, which is available in my office, and secondly, with the hospital services division, a further report that will be available within a few weeks.

## head: INTRODUCTION OF SPECIAL GUESTS

MR. MARTIN: Mr. Speaker, I'd like to introduce to you and the members of the Assembly, some 26 grade 6 students from St. Basils elementary school in Edmonton Norwood. They are attended by their teacher Ms Theresa Ostashevsky. I hope I'm saying that correctly. I think they're in the members' gallery. I can't see behind me, but they're supposed to be seated in the members' gallery. I'd ask them to stand and receive the traditional welcome of the Assembly.

MR. JONSON: Mr. Speaker, it is my pleasure today to introduce to you and through you to members of the Assembly, 37 Sunshine Seniors from the Ponoka-Rimbey constituency. It is a pleasure to be able to host them during this Senior Citizens' Week. They are an important group in the Ponoka community, busy helping each other and contributing to community life. They are seated in the members' gallery, and I ask that they now stand and receive the welcome of the Assembly.

MR. MITCHELL: Mr. Speaker, I would like to introduce to you and to members of the Legislature, a number of people who are here in support of the West Jasper Place Neighborhoods Association and who share with all signatories of the petition that I just presented the concern that cutbacks in funding will result in the closure of that important community service. I would ask that they rise as I announce their names: Jeannette Patterson, Helen Keith, Cheryl Erbach, Ralph Leibo, Lean Letendre, Eugene Hamel, John Lorenz, Ron Erbach, Jordan Owen, and Gayle Riley. I would ask that the members of the Legislature join me in recognizing these guests today.

DR. ELLIOTT: Mr. Speaker, it's my pleasure today to introduce a former colleague and friend. Mr. Bill Pringle is an agriculture researcher of some international fame. While some scientific researchers go into politics, others go around the world

and continue to solve the problems of feeding people. Mr. Pringle is currently on special assignment in Pakistan, and he is visiting us today in the public gallery. I'd ask him to rise to receive the warm welcome.

MS BARRETT: Mr. Speaker, it gives me pleasure today to introduce to you and to members of the Assembly, 14 students from the grades 5 and 6 classes at the Alex Taylor community school located in the riding of Edmonton Highlands. They're accompanied today by teacher Alan Bell and by parent Mrs. Parkins. I'd ask that they rise and receive the traditional welcome of members of the Assembly.

MR. YOUNG: Mr. Speaker, I'm pleased today to introduce 46 students that I met with earlier from the Britannia school who are representing a grade 9 social studies class. They are accompanied today by two dedicated teachers, and I would ask that they rise and be welcomed by the Assembly.

head: **ORAL QUESTION PERIOD**

### **Husky Oil Upgrader**

MR. MARTIN: Mr. Speaker, I'd like to direct the first question to the Premier. This morning officials of Husky Oil have announced that unfulfilled government commitments have forced them to abandon plans to construct a \$1.3 billion upgrading plant for the heavy oil from the Lloydminster fields. The Premier is of course aware that the heavy oil is sold for a fraction of its ultimate value in the absence of an upgrading facility, and in the future this will have a very negative impact on Alberta's economy.

My question: in view of this information, has the Premier decided to meet with Husky Oil and the other two governments involved to determine if this project can be saved?

MR. GETTY: Mr. Speaker, it's unfortunate perhaps that the hon. Leader of the Opposition is not in receipt of the real information with regards to the Husky Oil upgrader. I would draw his attention to the release from the company rather than from somebody in the media, which contradicts press reports that it's dropping its biprovincial upgrader project.

"The true report is that one phase of pre-construction engineering is nearing completion now, on schedule and engineering employees have been given notice of that timing . . .

MR. MARTIN: Well, a supplementary question. That's very well and dandy; we know the engineering study. Then is the Premier saying to this House now that that \$1.3 billion project is going ahead? Is that what the Premier is telling us?

MR. GETTY: Mr. Speaker, my colleague the Minister of Energy may wish to deal in more detail with this, but certainly as late as yesterday we discussed the upgrader with officials of Husky, and they are certainly proceeding, trying to establish with all three governments a means under which it will go ahead.

MR. MARTIN: Well, a supplementary question to whoever has the information, the Minister of Energy or the Premier. We've been told that this has been ongoing for a number of years. I want to know if there is any new commitment that this project is

in fact going ahead? Is it yes or no, to either member?

DR. WEBBER: Mr. Speaker, Husky has had discussions with the federal government and the governments of Alberta and Saskatchewan. In fact, they presented a conceptual framework to the House of Commons committee last December and have had discussions, as I say, with ourselves and Saskatchewan with respect to the concept of a guaranteed price. Those discussions have essentially been concluded. As a result of those discussions, we expect that Husky will be presenting us with a formal proposal very soon.

MR. MARTIN: Very soon, Mr. Speaker. I wouldn't want to hold my breath on this by the rate that we've been going. My understanding is that the holdup, of course, is the federal government's failing to fulfill their commitment. Could either the Premier or the Minister of Energy explain to us his understanding of why the federal government is not prepared to honour their previous commitment to this important upgrading facility? What is the holdup?

DR. WEBBER: Mr. Speaker, the commitments that were made last year were with respect to the pre-engineering work, some \$90 million that was provided by the federal government and the two provincial governments involved and Husky. That engineering work, the design work, has been completed at the end of March. In today's economic environment where world oil prices had fallen substantially and now moved up into the \$20 range, the economics of the project are such that we're looking at different options as to how we can proceed as quickly as possible.

One of the conceptual options that Husky has discussed with us and the federal government has been the option around a price guarantee. In a deregulated market environment we have difficulties with that particular concept and are looking at other options as to how we might proceed.

MR. TAYLOR: Mr. Speaker, if I may go back to the original. To the Premier. I can understand that the government might be a little reluctant because in some of these monopoly-type things the government can get pushed into a bit of a corner in the dealing. But in view of the fact that the government has put up a considerable amount of the money of the engineering and the specs, is the government considering opening it up so some other Canadian companies in Alberta can get at bidding to put an upgrader in in view of the fact that the Husky people may be getting cold feet?

MR. GETTY: Well, Mr. Speaker, the last part of the question was completely hypothetical and hardly fair, too, to a company who has been working very hard to build this project and has spent a great deal of money in trying to construct a project that will be helpful to Alberta, Saskatchewan, and Canada in the future. We're not considering dropping them, as the member is suggesting. I think that would be a completely incorrect way to handle ourselves.

MR. R. SPEAKER: Mr. Speaker, a supplementary to the Minister of Energy. Could the minister indicate, in terms of the consultations that are now going on in terms of the future of the Husky upgrader project, whether the federal government is looking at the project as part of the western diversification program or not?

DR. WEBBER: Well, Mr. Speaker, I think that question should be more appropriately directed to the federal government as to what they are considering. Certainly we feel that an upgrader proposal, the development of oil sands plants and of our heavy oils in this province, would be appropriate projects to have in the western economic strategy paper when it comes out. We'll be making representation to the federal government to make sure that we have our input into what comes out in that paper.

MR. SPEAKER: Second main question. Leader of the Opposition.

### **Government Pension Plans**

MR. MARTIN: Yes, Mr. Speaker. I would like to direct the second question to the Provincial Treasurer. In the last seven annual reports, the Auditor General has noted that the government's financial statements do not properly account for the unfunded liability associated with government pension plans. The Auditor has also expressed a concern repeatedly that the government has failed to take steps to curb the growth in that unfunded liability.

My question to the Treasurer: will he advise why the government has now decided to recognize its obligation with regards to pension funds and to make provision for this liability?

MR. JOHNSTON: Mr. Speaker, I just lost the one operative word, but I think I understand the question. First of all, there's no doubt that that unfunded liability, as we have discussed on previous occasions in this House, is one which is of concern to the government. It is a liability which must be disclosed and has been formerly disclosed on our financial positions and has been disclosed in a consistent way with other governments. That is to say, it's done by footnote, and many specialists consider the footnote approach to be in fact a much more vivid way of displaying that liability.

Mr. Speaker, we are now in the process of considering the policy questions which surround this unfunded liability, and I would expect that I'll be making some recommendations to my colleagues very soon to in fact provide a strategy to deal with that problem.

MR. MARTIN: A supplementary question flowing from the Treasurer's answers then, Mr. Speaker. Will the Treasurer advise whether the Treasury Board or his department has prepared any studies on alternative methods of dealing with this unfunded liability?

MR. JOHNSTON: Yes, Mr. Speaker.

MR. MARTIN: Well, a supplementary question then. Would the minister indicate . . . One study, I understand, that they're looking at -- from the table of contents it's clear that the government is looking at such things as excluding new members from government plans, increasing contribution rates, and reducing benefits. My question flowing from that: given the sensitive nature of these matters in dealing with probably well over 100,000 people, will the Treasurer not agree that the contents of this report should form the basis of consultation with affected parties now rather than after the decisions are made?

MR. JOHNSTON: Mr. Speaker, I do agree with the Member for Edmonton Norwood that in fact this is a sensitive issue and

does affect the future of many people who have both served this government and on other boards where pensions are under our administration. We fully recognize that, and we will in fact deal within that basis.

Now, if the member across the way has some recommendations for us, then he should probably put them forward. If he has a study which for some reason has been given to him, then that's fine. We have a clear area to debate upon. But what we can do at some point, Mr. Speaker, if it is in fact appropriate, is to examine those possibilities, and I'd be more than willing to listen to any representations or new ideas that he could give to us.

MR. MARTIN: A supplementary question. The key is not the new ideas; perhaps you're looking at the right ideas. The point is that people want to be consulted before the decisions are made. This government has a track record of making the decisions and then telling people how it's going to work.

My question to the Treasurer then: will he assure the House that the government pension boards and the affected employee groups will be involved in the preparation of studies and recommendations on this matter prior to it going to cabinet where the decision will be made?

MR. JOHNSTON: Mr. Speaker, I think this government has always taken every opportunity possible to provide consultation, and I can describe to the Legislative Assembly those events which in fact have been direct consultation with the affected groups, including the broad-based citizens who have responded in a variety of ways to our initiatives. That fact is clear, and there's no reason that that should be -- by the suggestion of the Member for Edmonton Norwood -- changed or challenged.

We recognize the importance of pensions to these groups. I've had an opportunity to speak to their boards on several occasions. We're in the process now of reviewing all possibilities. If in fact these gentlemen and ladies across the way are sincere. Mr. Speaker, about dealing with the problem, then they should allow us the time to do just that, as opposed to simply taking a negative view as they traditionally do.

MR. MITCHELL: Mr. Speaker, could the Treasurer please tell the Legislature whether he is aware or not that the Quebec public service pension fund is fully 85 percent to 90 percent funded? How is it that they have managed their funds so much more successfully than this government has managed its public service pension fund?

MR. JOHNSTON: Well, that is in fact inaccurate, Mr. Speaker, and I won't stand for that kind of misleading statement from that member, because of course all we get from him is misleading statements. Let me say that we could change that immediately if we wished to. We could do a variety of things which would put that pension plan back into order, but they may not be acceptable to those people who are using the system. And that's, I think, the reasonable position taken by the Member for Edmonton Norwood. We had to be sensitive to what in fact is reasonable to those people who are the users of the group, and this government is in fact sensitive to those wishes at all times.

Let's remember that this government put \$1 billion into those pension plans to shore them up. That, Mr. Speaker, was an unmatched contribution from this government to the pension plans of this province to ensure that the benefits were there. And those are the kind of policies we will follow in this govern-

ment, Mr. Speaker.

MR. TAYLOR: Mr. Speaker, I'd like to designate my question to the Member for Edmonton Gold Bar. [some applause] Saved again.

### Child Care Cutbacks

MRS. HEWES: Thank you, Mr. Speaker. My question today is to the Premier. The Minister of Social Services in this government has stated that all parents can be good judges of quality child care and has praised parents who recently inspected day care centres. Well, those parents and children had a chance to reply to the government's challenge today by protesting at the Legislature. The story they told was one of hardworking people, people who are desperate to stay at work, who are trying to ensure that their children are properly cared for. I'd like to know from the Premier: will he accept the advice of parents and undertake today that allowances to day care centres will not be cut?

MR. GETTY: Mr. Speaker, the whole area of day care matters should be dealt with by the Minister of Social Services. I would just say, though, that part of the opening of the hon. member's question touched on a real fact of life, and that is that the number one responsibility is with parents.

MRS. HEWES: Mr. Speaker, to be sure it's with the Minister of Social Services, but this is everybody's business, and, Mr. Premier, I expect you to be on top of it. The Premier and his Treasurer insist that cutbacks are not going to harm people services wherever they occur, and yet the evidence is quite to the contrary, especially in day care. Does the Premier realize that day care is not a welfare program but is an investment, one that increases the tax base by putting and keeping thousands of parents into the work force?

MR. GETTY: Could I just repeat what I said previously, Mr. Speaker. The number one responsibility for the care of children is the parents'. However, in the day care area where the government works with the parents, it's clear that Alberta is the only province that provides slightly more day care positions than there are actually a demand for and that in fact we have the best day care system in Canada.

MRS. HEWES: Mr. Speaker, it's clear the Premier wasn't there this morning or didn't hear what was being said this morning.

The Minister of Social Services has admitted that the presence of a licence doesn't guarantee quality in care. Certainly it doesn't guarantee training standards, monitoring, accountability. What does the Premier believe that a licence issued by his government should mean?

MR. GETTY: Mr. Speaker, again a licence is not the real key. The key is responsibility of parents. [The lights flickered] [Not recorded] The government couldn't hire enough inspectors or get them around to enough places to take the place of parents, who have the number one responsibility.

MRS. HEWES: Clearly. Mr. Speaker, God is watching us. She's been thinking about us for generations in this regard. [interjections]

MR. SPEAKER: Just another budget cut under Legislative Assembly. Could we have the question please?

MRS. HEWES: Mr. Speaker, the Premier and his ministers love to recount the many ways they throw money at people services. The province lags behind all other provinces -- there are your standards, Mr. Premier -- in implementing day care staff qualifications. Why is the Premier's government reluctant to upgrade staff standards, leaving Alberta at the worst level among all provinces?

MR. GETTY: Well, obviously, Mr. Speaker, that's not correct. Second, I should reply that the minister has at least five times in the House already told the hon. member or her leader that the matter of the day care standards for training are currently under review. But I come back to that as one portion of standards and this government's commitment to day care. The number of positions and the total overall quality of day care is the best in Canada.

MR. TAYLOR: The Speaker is lost.

MR. SPEAKER: I'm checking out another day care, perhaps. Edmonton Calder.

MS MJOLNESS: Thank you, Mr. Speaker. In 1977 this government recommended and accepted that a full scale review of standards and regulations in day care would take place every five years. Would the Premier direct his Minister of Social Services to undertake this immediately?

MR. GETTY: The hon. minister is and would report to the House when she's here, Mr. Speaker.

### DRIE Grants

MR. R. SPEAKER: Mr. Speaker, my question is to the minister of economic development. The Department of Regional Industrial Expansion has gone DRIE. I'd like to ask the minister what adverse affect that is going to have on Alberta in terms of the cost-shared programs or programs now instituted in Alberta.

MR. SHABEN: Mr. Speaker, at a recent federal/provincial ministerial meeting in Whitehorse that I'd indicated to the Member for Clover Bar I would be attending that was held on May 28, one of the items we discussed was the future of IRDP and the ERDA programs. This portion of the meeting was held during our private session during an extended lunch period. The federal minister asked that all of the ministers retain the confidence of each other in the nature of those discussions.

I think it would be appropriate, though, to advise the hon. member that the review that is going on of the DRIE department and the programs contained therein is an extensive and thorough one. The results of the review and the decision of the federal government should be made in due course.

MR. R. SPEAKER: Mr. Speaker, a supplementary. My understanding is that the DRIE budget has been expended at this point. Could the minister indicate whether Alberta has received a greater amount than 1.6 percent, which was their share in 1985, for the current year in which we are in?

MR. SHABEN: Mr. Speaker, we have a number of agreements

with the federal government. I believe the total face value of the agreements is \$169 million. We are in the process of negotiating other agreements that would add to that. The precise percentage of funds as a percentage of those transferred to the province I cannot advise the member other than to repeat the fact that the provincial government is not at all supportive of the IRDP portion of the federal DRIE program, wherein the grants are tiered. That was the substance of our discussion on the 28th in Whitehorse.

MR. R. SPEAKER: Mr. Speaker, a supplementary to the minister. Could he indicate whether the federal government has given an indication to the minister or the Alberta government that the formula for that IRDP will be changed and would become a different initiative, say, under the western economic diversification initiative?

MR. SHABEN: Mr. Speaker, the federal minister asked that all of the ministers who attended that meeting not communicate the nature of our discussions at the present time.

MR. R. SPEAKER: A final supplementary, Mr. Speaker. Could the minister indicate when some information will be made public with regards to that matter? Is the deadline time the date of announcement of the western economic diversification program, or could it be earlier?

MR. SHABEN: The Minister of Federal and Intergovernmental Affairs may have a better idea of any timing of federal government announcements, but I don't have any particular knowledge of when they might make announcements.

MR. SPEAKER: Calgary Mountain View.

MR. HAWKESWORTH: Thank you, Mr. Speaker. To the minister. A brief that was circulated to a House of Commons committee indicated that the Minister of Federal and Intergovernmental Affairs contacted his federal counterpart as early as April 10 regarding an apparent lack of commitment by the federal government to the ERDA process. I'd like to ask the minister: given this lack of progress in these negotiations, is there any more that the Alberta Members of Parliament could be doing to advance the Alberta government's case in this matter?

MR. SHABEN: Mr. Speaker, I'm not clear as to how I might answer a question that is directed at the Alberta Members of Parliament. I would add, though, that we, through the Alberta government, have excellent relationships with the Alberta MPs, and they are well aware of the Alberta government view with respect to the DRIE program.

MR. SPEAKER: The last question really was beyond the jurisdiction of that particular minister.

MR. TAYLOR: This is a supplementary, Mr. Speaker, to the Minister of Agriculture, but it does govern the question of the plans running dry. In view of the two plans that have run dry for the minister of economic affairs, has the minister checked recently with the federal government because of the mixed signals coming out of Ottawa as to whether or not they will proceed on funding a plan for western Canadian farmers, in particular Alberta farmers, because of low prices? Have you checked with your minister to find out whether that fund is drying up?

MR. ELZINGA: We were notified, Mr. Speaker, in response to the hon. Member for Westlock-Sturgeon, that it's business as usual now with the department of regional economic expansion in that they have some newfound money that has been approved to them through Treasury Board at the federal level, and Mr. Côté dated a telegram to that extent to his regional officials here within the province of Alberta.

MR. SPEAKER: Member for Red Deer South, followed by Edmonton Glengarry.

#### Health Care Insurance Plan Coverage

MR. OLDRING: Thank you, Mr. Speaker. My question is to the Minister of Hospitals and Medical Care and concerns the in vitro fertilization clinic at Calgary's Foothills hospital. I understand that since April 1 of this year the clinic has been operating on a cost-recovery basis; that is, participants have been paying for the procedure themselves. Would the minister advise the Assembly how this policy has affected the operation of the clinic and, specifically, whether or not it has resulted in couples being turned away because of a long waiting list?

MR. M. MOORE: Mr. Speaker, my information is that the waiting list is shorter than it previously was when the program costs were being picked up by donations and by people donating their time to the program but that there is still a waiting list for the program.

MR. OLDRING: A supplementary, Mr. Speaker. Would the minister advise the Assembly whether or not there are any funds available for couples who wish to try this method of conceiving a child but who cannot afford to pay the cost, which I am advised is in the area of \$4,000 per attempt? With up to three attempts required, it could be as high as \$12,000.

MR. M. MOORE: Mr. Speaker, there are no funds available from the Department of Hospitals and Medical Care.

MR. OLDRING: A supplementary then, Mr. Speaker, to the minister. Would he advise the Assembly whether or not certain portions of the procedure which are now billed to participants are in fact insurable procedures and, if so, whether he would give consideration to carrying them under the Alberta health care insurance plan so as to reduce the costs to the participants?

MR. M. MOORE: That would simply be a different method of funding from the same pot of money which doesn't exist.

MR. OLDRING: I'm not batting a very good average this afternoon, Mr. Speaker.

Final supplementary to the minister. The federal government has recently announced that it will cover the costs of in vitro fertilization for native couples in Manitoba. Will the minister advise the House whether or not native couples in Alberta will receive the same consideration, if they aren't already covered?

MR. M. MOORE: Mr. Speaker, I don't know the answer to that question, but I'd be pleased to follow up by contacting the federal minister of health and seeking information from him as to what the federal government is doing in this area.

REV. ROBERTS: Mr. Speaker, is the minister therefore saying

that if you are rich and infertile in the province of Alberta and can afford the \$4,000 treatment, you can get it, but if you're poor and can't, then you can't get the treatment?

MR. M. MOORE: Mr. Speaker, we had developed in Calgary an in vitro fertilization clinic that had been funded up until the beginning of this calendar year by voluntary contributions and by people who were involved in the medical community contributing their time to it. The Department of Hospitals and Medical Care had never provided any funding to that program, and nothing has changed.

MR. SPEAKER: Member for Edmonton Glengarry, followed by the Member for Calgary Mountain View, and then Calgary Buffalo.

### Toxic Gas Emissions

MR. YOUNIE: Thank you, Mr. Speaker. For the Attorney General. Although Western Co-operative Fertilizers has publicly admitted responsibility for the March 29 gas leak and there were numerous witnesses, the government seems incapable of bringing this matter to a satisfactory conclusion, as they have still not laid any charges. Since we have in this situation eye witnesses, admission of culpability, and the results of air monitoring, what more could the Attorney General possibly require in order to press charges?

MR. HORSMAN: Mr. Speaker, I've answered similar questions in the past. The evidence relative to this matter is now being thoroughly reviewed in order to consider whether or not a charge would be successful. Until such time as that has been done, I would suggest that it is not appropriate to press on with repetitions of the same question in the Assembly. They are seeking a legal opinion on the matter.

MR. YOUNIE: No, no. We're seeking charges and wonder how many more things are going to be reviewed until after session so there won't be as much publicity.

MR. SPEAKER: Hon. member, you've just asked a supplementary question. Hon. minister. [interjections] Well, he asked it as a question.

AN HON. MEMBER: No, he said we are wondering.

MR. SPEAKER: Okay.

MR. YOUNIE: I said we are wondering.

To continue the question, the Attorney General indicated on May 21 that he had received additional information from the Environment department. Was this the point in time when he finally received the names of two previously ignored witnesses, or did he receive those names earlier or later?

MR. HORSMAN: Mr. Speaker, I'm not prepared to go any further in this matter in terms of answering questions of that nature. [interjections]

MS BARRETT: That doesn't surprise us.

AN HON. MEMBER: The hell with the environment, eh?

MR. YOUNIE: No, it doesn't surprise.

The government's historically dismal record of enforcing pollution laws indicates that something is wrong with the system. Can the Attorney General assure us that the problem here is not foot-dragging or the withholding of information by the Environment department?

MR. HORSMAN: Mr. Speaker, the hon. member will just have to await the proper determination of whether or not in the event charges would be laid there could be a successful conclusion of those charges, and that is now being reviewed. It would be entirely inappropriate for me to get involved in the details of the case at this stage, and I don't intend to do that. But I can assure members of the Assembly that when the final determination by the agents of the Attorney General has been concluded, an announcement will be made.

MR. YOUNIE: Yes, it will come eventually, I suppose.

On a more general vein then. Based upon this unfortunate situation, will the Attorney General be formulating a set of guidelines that will outline what kind of information is needed to successfully prosecute a pollution offence, and will he make that set of guidelines available to the Minister of the Environment so that he can revise his monitoring policies?

MR. HORSMAN: Mr. Speaker, there are several Acts of the Legislature which outline the guidelines, and if the hon. member wishes to review them, he's certainly capable of doing so.

MR. TAYLOR: A supplementary, Mr. Speaker. In view of the fact that the statute of limitations took care of a problem we had with some people and problems with securities here a year or so ago, can the minister inform us when the statute of limitations will put an end to this? What date are we looking at before he has to move or it's too late?

MR. HORSMAN: The hon. member has a copy of the Act. He can check it himself.

MR. SPEAKER: Calgary Mountain View, followed by Calgary Buffalo, Edmonton Strathcona.

### Provincial Parks Policy

MR. HAWKESWORTH: Thank you, Mr. Speaker. My question is to the Minister of Recreation and Parks. This minister has stated his department's intention to divest or close 23 provincial recreation areas, reduce staffing, turn over operations of selected parks to private companies, in addition to camping fee hikes this year and others next year. Will the minister now confirm to the Assembly that these new policies are reducing the use and enjoyment of these recreation areas?

MR. WEISS: Well, Mr. Speaker, it would be very difficult to determine and answer unequivocally that there has been a reduction in services and use because we're really only in about the third major weekend in the park season. At this point I would say that we're doing very, very well, and some parks have noted high increases for this time of year in view of the weather. So I'm certainly pleased to advise the Assembly that there are no such matters occurring.

MR. HAWKESWORTH: Well, Mr. Speaker, I've received

complaints from all over Alberta about poor supervision and rowdiness, firewood has not been available, and facilities are dirty or poorly maintained. Will the minister outline what steps he's taking to correct these problems so that we can assure Albertans and visitors to Alberta that their camping experiences here are going to be good ones?

MR. WEISS: Well, Mr. Speaker, I think that's very interesting that the hon. member would refer to examples and not be specific. I would welcome that they be presented to me at any time so that we can investigate and deal with them accordingly. The rangers have all the authority to deal with specific complaints as they would arise in the individual parks, specifically as they relate to rowdiness or inappropriate dealing with the clientele in the parks, because of course this disturbs users. That's a concern that we have.

I would hope he would bring those instances to us so that we'd be able to follow up on them. As far as the overall parks, where there is a concern with regards to firewood and other instances that he's outlined, I would love to hear from them. I can't deal with them if I don't know where they're not being referred to.

MR. HAWKESWORTH: Mr. Speaker, the minister is removing even further his department's direct supervision of parks by turning some of them over to the private sector. What specific actions will the minister take when he receives complaints about the operations of these parks? At what point would he be prepared to cancel those leases?

MR. WEISS: Well, Mr. Speaker, it's a very interesting one and one that should be clarified for the members of the Assembly. At this point it really is hypothetical, but should it occur, I personally would be pleased to investigate them. I will be going out with the MLAs into the individual areas. There are two parks concerned. I've had the opportunity of meeting with the individuals who are operating those parks on a one-to-one basis. I believe that in all fairness to those individual operators, they should have an opportunity to prove themselves, and until that's proven not to be, I think they should have that opportunity, as I've said, to try and maintain that service.

MR. HAWKESWORTH: Mr. Speaker, if a staff person in the minister's department doesn't perform, he can be fired. How will the minister go about, in view of the leases that he's signed, "firing" those companies if they don't perform properly? He can do it with his staff people; how will he do it with companies that are taking over the operation of these parks?

MR. WEISS: Well, Mr. Speaker, we've maintained and said many times in this Assembly that as stewards of the resource, we'll accept that responsibility, and to this day we'll accept that responsibility. If the parks are not being handled properly and the services are not being provided, we will deal with it. But until such time as we're provided that information, we will not be able to take any such action.

MR. BOGLE: A supplementary to the minister, Mr. Speaker. What steps is the minister taking to encourage volunteer organizations to assume responsibilities for recreation areas across the province?

MR. WEISS: Well, I appreciate the question from the hon.

member, and in reference to the 23 recreation areas that we're endeavouring to divest, we have some 17 volunteer groups and community service orientated agencies that have volunteered to undertake responsibilities for these areas. We've yet to finalize all of them, and I will be reporting to the Assembly and all hon. members of those exact findings when they have been completed.

MR. TAYLOR: Mr. Speaker, a supplementary to the hon. minister. In granting a licence to these organizations to run a taxpayer-owned camping ground, what regulations or what processes are there in place that they have to measure up to in operating the grounds? Or is it like our day care centres: buyer beware, camper beware, parents beware -- whatever it is?

MR. WEISS: Well, Mr. Speaker, that's interesting because it's a lot like our day care: there are standards, good standards, in place. We have a criteria and a checklist that we've gone over with the people who are the operators, and we'll endeavour to maintain those standards. In particular there were six individuals that met with the proprietors as well to ascertain their eligibility, and we'll ensure that these standards that we have in place will be maintained and followed. I would welcome the opportunity to go over them with the individual member at anytime. It was all through a public proposal, and there is nothing to hide, and the information is readily available at anytime.

MR. SPEAKER: Calgary Buffalo, followed by Edmonton Strathcona.

### Hunger Among Schoolchildren

MR. CHUMIR: Thank you, Mr. Speaker. To the Minister of Education. Social workers in Calgary have been saying that 25 to 33 percent of children arrive at school without an adequate breakfast or lunch. In 1985 73,000 children in Calgary and Edmonton under 16 were living below the poverty line. The hunger problem is clearly provincewide and has been getting worse as the economic problems have intensified. Would the minister please give this House a report about what she knows by way of surveys of principals, students, or otherwise about hunger in our schools and what her department is actually doing about this provincewide problem?

MRS. BETKOWSKI: Mr. Speaker, I too read with interest and concern the reports of recent days with respect to hunger, directly focused on children. I think all members in this Assembly and in fact all Albertans and perhaps all of society have a very grave concern about the thought of hungry children. I think government has a role, however, to provide a safety net, which we are doing and will continue to do. And with respect to the role of the Department of Education with respect to this specific problem, I think our role is to ensure that young people know what nutrition is and how to best spend what resources they have to ensure that they are well nourished.

MR. CHUMIR: No programs and no information. Why is it that everywhere we turn in the school system, whether it be sex education, user fees for students, multicultural education, and now food programs, we find a total absence of leadership by the Minister of Education in these issues and indeed an almost total lack of information about what is going on in the system?

MRS. BETKOWSKI: Mr. Speaker. I do not believe, as I think the hon. member does, that the education system can meet every single social, religious, physical need of every single child. I think there are certainly responsibilities on the part of the education system, which we are addressing. There are also responsibilities on behalf of society and on behalf of people involved within a particular program. It is not all resting on government. I disagree with him fundamentally on that point.

MR. CHUMIR: It sounds like the minister is taking a total hands-off position on this, Mr. Speaker. Will the minister in fact add this to her list of many undertakings that she has provided for review and reporting to the Legislature? In particular will she take this up with the minister of manpower in order to see whether he might be able to spring some of the lottery money he has been hoarding in order to relieve the hunger of children in our schools?

MR. SPEAKER: The minister may answer the first part of the question but not the second, courtesy of the member's own document to the courts.

MRS. BETKOWSKI: Well, as I have said, Mr. Speaker, I believe there is a role for the Department of Education specifically, and we are certainly addressing that role. The Calgary school board -- the hon. member certainly represents the municipality for whom that board is speaking -- has said that they are going to address the issue within their schools. One of the trustees from that board has raised the issue. They are going to be looking at it and addressing it as a community need and a community problem. I look forward to receiving any research which comes out of that study within that school jurisdiction.

MR. CHUMIR: Mr. Speaker, to the Premier. The Department of Agriculture's nutrition at school program which provided morning snacks for students has been discontinued. Will the Premier tell this House whether he considers hunger amongst schoolchildren to be an important enough issue to warrant an undertaking that he will have his government review and co-ordinate an all-out attack on this problem, including provision of lottery funds if funding is a problem?

MR. SPEAKER: Thank you.

MR. GETTY: Mr. Speaker, I'd just say that the hon. Minister of Education has dealt with the matter already.

MS LAING: Mr. Speaker, to the Minister of Education. Young people need more than information on nutrition. What representation will the minister make to the Minister of Social Services to ensure that no children will attend school hungry?

MRS. BETKOWSKI: Well, Mr. Speaker, I believe there are, as I have said, many responsibilities on the part of many parts of government. It is not simply a matter of the Minister of Social Services -- for whom I am acting today -- and the Minister of Education making such a decision. The decision is one of providing a safety net, which government can and should provide and which government does provide in this province. I believe the problem is one that communities need to address. I think government has a role in that, but government cannot be all and everything for this problem.

### Maintenance Orders Enforcement

MR. WRIGHT: Mr. Speaker, my question is to the Attorney General, and it concerns the maintenance orders enforcement program. The last annual report of his department said that they expected that the number of files registered by March 31 of this year would be 10,000. In fact, the number was and remains about 14,000, of which some 4,000 are badly behind in enforcement and even registration. What plans has the Attorney General in mind to increase staff to cope with this or otherwise to cope with the arrears?

MR. HORSMAN: Mr. Speaker, the maintenance enforcement program is an ambitious undertaking. It is a leading program in Canada of this nature. We are doing our best to cope with that matter and will continue to do so with the staff available.

MR. WRIGHT: Thank you. Mr. Speaker, it is a good program -- there's no doubt of that -- and is perhaps in part the victim of its own success. We learned that some 30 percent of the registrants have been enabled to get off social assistance because of the arrears collected and the enforcement of the maintenance orders, so it does *appear* to be paying its way. I wonder in that case whether the Attorney General would not agree that the plan should be exempt from the hiring freeze, in point of its staff.

MR. HORSMAN: Mr. Speaker, as I indicated during the course of earlier remarks and in my remarks in my estimates, we regard this as a high priority. I don't have the exact numbers of people who are actively involved in the program at my fingertips, but my recollection was that in that particular area there was no diminution in the number of people involved in that. However, there were no additions either, and that is something that will be considered in terms of the operation of the program, which has really only been operating now for just over a year. We would like to encourage people to participate in that program obviously. It is of concern.

There were a number of points actually raised in the hon. member's question relative to people not being able to get off social assistance and so on. Of course, that depends to a considerable extent upon the amount of the maintenance awarded, and then of course the ability to pay is a factor that has to be taken into consideration as well.

MR. SPEAKER: The time for question period has expired. However, might we have unanimous consent to continue this series of questions?

HON. MEMBERS: Agreed.

MR. SPEAKER: Opposed? Edmonton Strathcona.

MR. WRIGHT: I was in fact remarking on the quite high percentage of people who had been enabled to get off social assistance, Mr. Speaker. But as the Attorney General remarks, it's been in force for over a year -- just 16 months now. I think. Having regard to that, what weaknesses if any has the minister identified in the legislation?

MR. HORSMAN: Mr. Speaker, that is a matter, of course, that I will be reviewing with the department as we approach the preparation of the budget submissions for the 1988-89 budget



year. Certainly in my experience in just over a year as Attorney General I believe this program has indicated a good measure of success. I appreciate the clarification the hon. member made as to its effectiveness in terms of assisting parents and their children to no longer require social assistance. It obviously needs improvement. I think I said so during the course of my remarks in estimates, and I will certainly continue to keep that as a high priority as we commence the consideration of budget matters for the ensuing year.

MR. WRIGHT: Final supplementary, Mr. Speaker. When a payer who is paying complains that the payee is not honouring an access to children order -- there are difficulties here, as I'm sure the Attorney General is aware -- will the Attorney General undertake at least to instruct that the complaint is passed on to the payee?

MR. HORSMAN: Well, the hon. member has raised a very important point that has been raised with me on a number of occasions by persons who are paying. At the present time, of course, there is no way that the program enforces the question of access, and that is something we will have to review. The issue of passing on to the recipient is certainly something that we could consider, but it would only be as the hon. member's question would suggest: a voluntary indication of concern. However, it's not a matter that we could enforce under the current legislation. But it is a matter of concern to me and of course to many parents who are denied access to their children -- and quite improperly so, in many cases.

MR. SPEAKER: The time for question period has expired. Point of order?

MR. CHUMIR: Yes, I have a point of order. Mr. Speaker, with respect to your ruling that the portion of the question which I asked of the Minister of Education relating to the potential use of lottery funds to feed hungry children was in order. You ruled, Mr. Speaker, that that was not in order. I would like to point out that the last time the issue of lottery funds was raised was on Friday, May 22, subsequent to discussions we had had and arguments made with respect to the propriety of asking questions. By precedent which was established on that day in which I was allowed to ask questions -- and I refer to the questions I asked to the minister of manpower and career development

... whether the government is now prepared to allow some of the lottery funds to be used to fund some public education programs.

Question allowed. Second question: is the minister telling this House that there's going to be no funding out of lottery funds for Education, for creating jobs for the handicapped, for Social Services, unless decisions are made by existing beneficiary organizations to make those expenditures? So my argument in respect of that is that the precedent and practice of this House, the most recent one, is that questions of that nature which are not centrally related to the lawsuit per se are allowable. Now, that is the precedent. The precedent, I would submit, is based on arguments that I made to yourself. Mr. Speaker, based on paragraph (g) of section 23 of the Standing Orders, which seem to clearly indicate that if at most this could preclude this order, it would preclude questions directly relating to litigation.

The example I gave in argument and I would give again is

that a question I asked three weeks ago, with respect to whether or not the government would bring in some form of measures to halt the use of knives in violent incidents, could be ruled out of order on the basis that there are constantly criminal cases in progress with respect to knifings. It makes no sense. By analogy, if your ruling precludes this question, then any general related topic would be precluded; similarly, any constitutional issue which is before the courts. The distribution of spending authority between the federal and the provincial governments is now being litigated in Ontario between . . . [interjection] Pardon me? It's by analogy though. Every argument has to relate to analogy. You have to say, "If this is right in case X, what happens in case Y?" It's known as *reductio ad absurdum*. And I would say, if this pertains, we reach an absurd ultimate conclusion and it should not stand.

So I submit, Mr. Speaker, that your precedent of May 22 was the appropriate conclusion for those questions, although I might note that I still have reservations and would be prepared to argue once again even the issue of whether or not commentary on the lawsuit per se would be appropriate. But this is not the lawsuit per se; this is the subject matter of lottery expenditure of lottery moneys. The decision to preclude those questions would preclude questions with respect to any subject matter if there happened to be peripheral litigation relating to that.

MR. SPEAKER: Thank you, hon. member. However, there was another aspect which perhaps you overlooked. It was the fact that it was a supplementary question and there were indeed two questions being asked in the single supplementary. So under *Beauchesne* 371 that's where indeed the Chair -- to read through it, it's this matter: "The extent to which supplementary questions may be asked is in the discretion of the Speaker." And because of a growing practice in this House of having two and three supplementary questions being rolled together in supplementaries, that was the main reason the Chair intervened at that time and instructed the minister to answer the first question rather than the second. [interjection]

I'm sorry, the Chair has responded. If you have a new point of order, it can't be the same one.

MR. CHUMIR: A new point of order relating to the same issue in that . . .

MR. SPEAKER: I'm sorry, hon. member. This is not university mock parliament. This is the real place.

MR. WRIGHT: I was waiting to stand on the same point of order, with respect.

MR. SPEAKER: No, I'm sorry, I've ruled. The Chair did not see any movement in the House and the Chair was busy looking, believe me.

## ORDERS OF THE DAY

MR. SPEAKER: Government House Leader, please.

MR. CRAWFORD: Mr. Speaker, I move that the question and the motions for returns on the Order Paper stand.

[Motion carried]

head: **MOTIONS OTHER THAN  
GOVERNMENT MOTIONS**

220. Moved by Mr. Oldring:

Be it resolved that the Legislative Assembly urge the government of Alberta to communicate to the government of Canada the Assembly's wish that the federal government swiftly conclude the negotiation of a mutually beneficial comprehensive bilateral trade agreement between Canada and the United States.

MR. OLDRING: Mr. Speaker, I rise today to urge my colleagues in this Assembly to support Motion 220 which calls on the government to urge the federal government to "swiftly conclude the negotiation of a mutually" -- and the key word here, Mr. Speaker, is "mutually" -- "beneficial comprehensive bilateral trade agreement between Canada and the United States."

Mr. Speaker, I want to make sure that when our Premier attends the first ministers' meeting on free trade later this month, he will have the strong voice of this Legislature behind him during those difficult discussions. I think the timing of this motion is especially appropriate in light of recent reports of a standstill in the negotiation between Canada's Simon Reisman and the U.S.'s Peter Murphy. My motion urges the governments involved to move now to conclude an agreement that will have very substantial benefits for Alberta, for Albertans, and for all of Canada. There's a certain amount of urgency associated with this resolution, because the fast-track approach which the two countries involved have agreed to expires in January of 1988. Either we have an agreement by that time or we go back to square one. [some applause]

Now, I know, Mr. Speaker, that my socialist friends across the way, the doomers and gloomers, are applauding that, and I know they may have difficulty supporting this resolution. The Liberals, as always, will have a challenge in making up their minds, but I'm sure they'll come down abundantly clear to agree to disagree and we still won't know where they stand. But I would hope that by the end of my remarks today I will have been able to show them that free trade is clearly the single most important economic issue currently facing our country, and how we handle it will have major ramifications to Canada's economic future. Jobs, Mr. Speaker, jobs, jobs, jobs: that's what free trade is all about. Studies have shown that 224,000 jobs in Alberta are in some way dependent upon exports -- 224,000 jobs. Jobs is what the issue is really about, and opportunity is knocking. It would be foolish not to answer that call.

Mr. Speaker, I believe it would be helpful to provide a brief background to the free trade negotiations that are currently under way. There are two sets of international trade negotiations important to Canada: the Canada/U.S. bilateral free trade negotiations and the multilateral trade negotiations under the auspices of the 92 country member General Agreement on Tariffs and Trade, more commonly known as GATT. Alberta has traditionally been a consistent advocate of trade liberalization, the aim of the present trade negotiations. As a result, as it so often does, Alberta has taken a leading role in pressing for and ensuring that bilateral and multilateral trade negotiations are carried out.

The benefits resulting from Alberta's exports of goods and services cannot be overstated. In 1985 alone Alberta exported nearly \$14 billion worth of goods and services -- \$14 billion worth. It's of interest to note that of Alberta's total exports in

1985, more than 75 percent went to the United States. The remaining 25 percent went mostly to Asia and Europe and the Soviet Union. Now, with a lot of emphasis in recent years on our trading partners in the Pacific Rim and Europe -- certainly, Mr. Speaker, I'm not suggesting there shouldn't be a lot of emphasis on the Pacific Rim and Europe, but what I am saying is that we need to make sure we clearly understand and keep in perspective that the United States still accounts for the lion's share of our exports, in 1985 over 75 percent.

Mr. Speaker, Alberta's economic well-being and the majority of jobs are closely linked to sales beyond our provincial boundaries. It is therefore of vital importance to Alberta and Albertans to pursue wide and more secure access to external markets on a bilateral and multilateral basis. I acknowledge the importance of the GATT negotiations, which are ongoing, but I reiterate the timeliness of the bilateral talks with the United States, so I will place my emphasis there.

In February of 1985 Alberto took the lead at the First Ministers' Conference in pressing for a comprehensive bilateral trade negotiation between Canada and the United States. Alberta's efforts led quickly to the emergence of a national debate on free trade, which then resulted in Prime Minister Mulroney taking the initiative to enter into bilateral negotiations with the U.S. Before the end of 1985 President Reagan had agreed to pursue a negotiation designed to achieve the largest possible trade agreement. A Canada/U.S. trade agreement, if successfully negotiated from Alberta's perspective, would substantially overcome all tariff and nontariff barriers to trade between Canada and the U.S.

[Mr. Deputy Speaker in the Chair]

Now, a key Alberta objective and certainly a prime Canadian objective is to stop the harassment associated with U.S. trade laws, trade laws that hamper and restrict the sale of Canadian products to the U.S. market. This objective, security of access to the U.S. market, is a major concern for Canada and especially for the resource exporting sectors of our economy, especially for Alberta and for Albertans. We cannot afford to be exposed to the possibility that Alberta's major exports to the U.S., our agricultural products, our oil and gas, our petrochemicals, and services related to natural resources -- we can't afford to take the chance, the risk involved, the exposure. Security of market is absolutely critical to Alberta and to Albertans. Right now, today in the United States, powerful forces have conspired to take advantage of American trade laws to harass Canadian products that are being fairly traded. The U.S. Congress, under continuous protectionist pressure, has before it today legislation that could result in new restrictions on Canadian access to the U.S. market. Perhaps more than at any time since the Second World War, government subsidization of international trade and agriculture has reached dangerous proportions.

Alberta farmers have been caught in the middle of an export subsidy fight that has knocked the price of agricultural commodities to levels below the cost of production and, in doing so, created depressing surpluses. Canada has been sideswiped, and the Alberta and Canadian governments have been pressing for an early resolution to this most urgent of problems. On that note, Mr. Speaker, I would want to say that Prime Minister Mulroney and his delegation are addressing this very matter in Venice on behalf of Albertans and Canadians, and I'm sure all members here would wish him well and hopefully a successful conclusion in resolving this very critical problem to our Alberta

farmers.

Mr. Speaker, Alberta has traditionally sought to maximize competitiveness and liberalize the functioning of the free market, both domestically and internationally. Under free market conditions comparative advantage operates, unbridled by market distorting government interference. In Canada we face a wide variety of complex and frustrating barriers to interprovincial trade. Internationally many countries, including some of our most important markets, have been building barriers to the free flow of goods and services. In Alberta's view, the outcome of both the bilateral and multilateral trade negotiations will have a significant impact on the Canadian economy, an export-oriented economy, Mr. Speaker, the economy of a trading nation. In Alberta's case, major components of the provincial economy are involved: agriculture and food; energy products; energy-based products, the petrochemicals and chemicals we produce in this province; forestry products; manufactured products; and a wide range of internationally competitive services. Alberta has two broad objectives in these negotiations: one, to obtain improved access to export markets for Alberta products and services by eliminating and reducing barriers to trade, which includes removing restrictions inhibiting foreign investments in trade and services; and two, to obtain security of access for our products and our services.

Mr. Speaker, Albertans are the country's strongest and most committed supporters of free trade. The Alberta government is firmly committed to support the bilateral negotiations and to achieving a comprehensive bilateral trade package that is good for Alberta and good for Canada. We think a free trade deal with the United States not only will secure and enhance our access to the richest market in the world but would also lead to a reduction in barriers to trade within Canada. It will help eliminate domestic and bilateral trade distortions that actually work against Alberta and Albertan because they are anticompetitive and antimarket. These negotiations represent a crucial opportunity to bring about a truly competitive and productivity-oriented Canadian economy that will be market sensitive. Albertans aren't afraid to compete. Albertans like to compete and have proven themselves to be world-class traders over a range of goods and services. All we want, all Albertans want, is everybody else to compete on the same basis, under the same rules, because if they do, our natural advantages would not be neutralized by practices that are market distorting.

Mr. Speaker, because a comprehensive Canada/U.S. agreement would mean both federal and provincial jurisdictions are involved on the Canadian side, Alberta again took the lead in pressing for full provincial participation in the trade negotiations at the Halifax First Ministers' Conference in the fall of 1985. As a result, at the political level it was agreed to hold quarterly meetings of first ministers and meetings of designated ministers responsible for the trade negotiations. Our Premier will be attending just such a meeting later this month. As well, it was agreed that the Canadian negotiator, Simon Reisman, would meet regularly with provincial trade representatives to get provincial input to the negotiating process. The key player for Alberta at the ministerial level has been the Minister of Federal and Intergovernmental Affairs, the Hon. Jim Horsman. The minister chairs the cabinet task force on international trade negotiations, which has the responsibility for Alberta's interests in the bilateral negotiating process. He is joined in that task force by the Minister of Agriculture, the Minister of Economic Development and Trade, and the Provincial Treasurer. The minister is ably assisted in his important role in these negotiations by

Harold Millican, Alberta's trade representative.

Mr. Speaker, Alberta's interests have been well represented, have been well taken care of, and the consultative process Prime Minister Mulroney has introduced to this country is working very well in this process. It's afforded provinces the full opportunity for participation.

Canada cannot afford to be the victim of U.S. protectionism, but neither can we afford to indulge in protectionism ourselves. Canadians point an accusing finger at the U.S.'s protectionist tendencies, but at the same time we wallow in shortsighted economic mothering, inspired, I might add, by a long history of federal Liberal rule. We can't point that finger, for if we do it would be hypocrisy in the extreme. History has demonstrated that there are few winners in the game of protectionism. Protectionist thinking is very attractive. It's very attractive because it seems like such a good idea in the short term. Just as an aside about the short term, Mr. Speaker, the members opposite are good at short-term thinking. Maybe that's why they are so supportive of protectionist thinking. But it's long-term thinking that makes for good government. Protectionist thinking in the long run inevitably ends up being extremely costly.

Mr. Speaker, Canada and Alberta are proud to have leaders who are forward thinking, who can see the importance of developing public policies which will bring long-term benefits to this country and to our province. If only the members opposite could see beyond their noses. If only they could have a little foresight. If only they just had the slightest bit of confidence in Albertans and in Canadians, the slightest bit of confidence in Albertans' and Canadians' ability to compete under a fair set of rules.

Mr. Speaker, these negotiations represent a crossroads for Canada. We can choose the timid road of the New Democrats and some of the Liberals by cowering away from the substantial free trade deal with the United States, but such a choice would be worse than if we settled for the status quo and hadn't even initiated the negotiations. To step away from the threshold of this historic opportunity would represent national defeat and would damage our international confidence for years to come.

But we have another option, Mr. Speaker. We have another choice. We can continue along the road courageously blazed by our federal government toward finalizing a bilateral free trade agreement with our neighbours to the south. The government of Alberta has consistently maintained that Canada is a strong and mature international actor. Our economy no longer needs to be babied and pampered along by protectionist policies. Canada's economy is mature, and it's time we shun once and for all the adolescent advice of socialists and boldly forge ahead for an even stronger and more competitive Canada.

MR. STRONG: John, stick to the topic; you'll do you a better job.

MR. OLDRING: Some NDPs, Mr. Speaker, have said that once a free trade deal is signed, Canada would be vulnerable if the United States ever decided to back out of the pact. The people of Alberta and Canadians in general are all too familiar with these types of statements from socialists and others, statements suggesting that the United States might at some point back out of a free trade deal and leave Canada in the lurch -- so typical of the tactics of the NDP when an argument cannot be won through a logical debate. It's always so easy for them to resort to emotionalism and scare tactics. In fact, Mr. Speaker, it is clear from the statements of prominent Americans that a free trade

deal with Canada is as much in their interest as it is in ours. Once we have a free trade pact in place, it would be foolhardy for either partner to withdraw. It has to be good for the United States and it has to be good for Canada -- a win-win situation, Mr. Speaker. And I know the doom and gloomers across the way hate to see us all come up winners. They don't like good news; they don't like good things to happen.

Mr. Speaker, a number of organizations have publicly supported the federal government's free trade initiative. These groups include among others the Canadian Chamber of Commerce, the Canadian Federation of Independent Business, the Consumers' Association of Canada, the Canadian Export Association, the Canadian Manufacturers' Association, the Business Council on National Issues, the C. D. Howe Institute, the Economic Council of Canada, the Canadian Institute for Economic Policy, and the petroleum association of Canada. But these doom and gloomers, along with their friend Shirley Carr, have it all figured out.

ANHON. MEMBER: Dave Werlin.

MR. OLDRING: Dave Werlin, yes. Telling us about the bogeyman.

Mr. Speaker, in 1986 the Canadian Federation of Independent Business conducted a survey of its membership to determine members' views on how they believed free trade would affect their businesses. Results of the survey clearly indicated that the Canadian small business sector believes by a margin of five to one that freer trade with the United States would either be a positive factor for their farms or have little impact.

Mr. Speaker, I would like to share with this House the official policy of Union Carbide, a major industry and employer in central Alberta and in the rest of Canada. Jobs again, Mr. Speaker. I know they don't like to hear about jobs, but I quote their policy: Our company is prepared to meet the competitive challenge of an expanded trade relationship with the United States which we believe will be beneficial to Canada for the majority of our customers and for our shareholders and our employees. Improved access to the U.S. market would help Canada to come to grips with the problem that threatens its competitiveness, encouraging larger, lower cost production facilities and greater productivity. As well, freer trade would make Canada a more attractive place to invest and it would assist in bringing down the barriers we have started to erect around ourselves which impede the free movement of goods, labour, and capital between the provinces. I end the quote there, Mr. Speaker. I share that with the House because I think it illustrates the degree of support that is out there from those who would be most directly affected by a free trade agreement.

Mr. Speaker, the annual western Premiers' conferences provide a forum for leaders of the four western provinces to discuss their views on a number of issues, including free trade. The most recent of those meetings took place May 26 and 27, 1987, in Humboldt, Saskatchewan. At this meeting the Premiers again reaffirmed their interest in seeing the conclusion of a free trade agreement. The Premiers urged that such an agreement include new jointly established rules governing trade in goods and services and a jointly managed dispute settlement mechanism to resolve trade disputes. And that's a key component to these negotiations.

All parties in this Assembly would agree that the maintenance and continued nurturing of cultural industries in this country must remain a priority at both the federal and provincial

levels. Mr. Speaker, Alberta has worked hard to ensure that the multicultural integrity of this province is furthered. The most recent example of this is the *two* Bills recently passed by this Assembly which will broaden the mandate of the Department of Culture. It is a well-known fact among Canadians that our cultural industry is roughly one-tenth the size of that in the United States. We have all heard public musings by Americans that perhaps the cultural industry should be on the bargaining table. Because the Americans have never had reason to be concerned about domination by another culture, their natural tendency is for them to view culture as they would any other industry: open to negotiation. However, the Prime Minister has made it very clear to the United States negotiators that inclusion of culture in any free trade deal is unacceptable to Canada. The federal Minister of Communications, the Hon. Flora MacDonald, again has emphasized this point by stating that if one of the negotiating partners will not discuss an issue, there is simply no debate on that matter. You can't be any clearer than that. Notwithstanding these statements by Prime Minister Mulroney and other federal cabinet ministers, Mr. Speaker, the opposition parties continue to engage in scare tactics regarding the erosion of the Canadian identity.

Mr. Speaker, Canadians and Albertans are not deceived by these sorts of statements. The Canadian identity is not a commodity which can be bought and sold. It can't be bought and sold as the opposition would have us believe. Canadian culture and Canadian identity are in the hearts and minds of each and every one of us, possibly even the NDP. It is that intangible spirit of creativity, imagination, and perseverance -- perseverance against all odds -- which has historically made Canadians special. Our earliest history tells of the hardness of Canadians. We have proven to be generous with our resources, and tough in our spirit in times of war. But we are also internationally renowned for our commitment to peace whenever possible and the importance of diplomacy. Mr. Speaker, it is my prayer that the same very Canadian tendency to dream a dream and then to give everything one has to make that dream a reality is present and at work as members consider this motion today.

Mr. Speaker, this is an issue which does not have to be partisan. I referred earlier to a number of respected research councils and other organizations which have supported a bilateral free trade agreement. These groups have looked at the positive and the negative facts and have seen that there are really only two options: to stay where we are or to forge ahead, to progress ahead. However, as all members know, maintenance of the status quo is only a very dangerous illusion. In fact, for Canada to stand still on this issue would be to slowly and inevitably begin an economic slippery slope downward. Canada would continue to suffer directly and indirectly from U.S. protectionism, and our markets would gradually shrink. I believe the choice is very clear. I would urge all members on both sides of this Assembly to evaluate the importance of free trade for life in Alberta and for life in Canada today.

I have often heard representatives of different parties cry that Canada will never be the same if a free trade deal is signed. Mr. Speaker, things will always change. All that we can do as representatives of the people of Alberta is to help ensure that changes are for the better. The studies which have been completed by so many organizations have clearly demonstrated that without free trade there will be economic change of a very negative sort.

Mr. Speaker, I would ask all members to support this motion and, in so doing, demonstrate their confidence in Albertans and in Canadians and demonstrate to the people of this nation their

support for a Canada with a dynamic, thriving, and positive future.

Thank you, Mr. Speaker.

MR. DEPUTY SPEAKER: Hon. Member for Calgary Mountain View.

MR. HAWKESWORTH: Thank you, Mr. Speaker. I'd like to begin by quoting a gentleman which the member opposite, I'm sure, has a great deal of respect for -- none other than Mr. Brian Mulroney who, during the Progressive Conservative leadership campaign in 1983, said:

Don't talk to me about free trade. That issue was decided in 1911. Free trade is a danger to Canadian sovereignty. You will hear none of it from me.

[Mrs. Koper in the Chair]

I think it's quite ironic that we should today be dealing with a motion that this member wants us to swiftly conclude a deal which not too many years ago was shunned by the federal leader of his own political party. And I wonder why. I wonder why there is this rush. Why would the resolution before us ask for us to swiftly conclude such a deal? There's no reference in this motion as to the principles such a deal ought to achieve. There's no reference as to what direction we should be asking the government to protect as far as the interests of Canadians. There's no reference to some public debate or public input before this deal is dealt with by the federal government. There's no reference asking the federal government to release all studies. There's no reference asking the Alberta government to release studies which it might have done on free trade. No, Madam Speaker, there is no reference to those whatsoever. It's simply asking us to endorse a mutually beneficial trade agreement and to conclude that as quickly as possible -- in fact, to be swiftly concluded.

Now, the problem, Madam Speaker, is that these negotiations are going on in secret, and we have no idea what the elements of such a free trade agreement might be. We have no idea what the impacts of those might be, and yet the member asks us to swiftly conclude those negotiations and give mindless support to something we know very little about in order to meet some prearranged, arbitrary timetable. In essence, what the hon. member is asking this Assembly to do is to respond to a gun being put to our head. It has to be done by such and such a date because the Americans told us to conclude it by such and such a date. Well, Madam Speaker, that is just simply not acceptable.

Let's go back in time, not too long ago, when this free trade debate got quite a push or impetus from the Macdonald commission report. Maybe it would be interesting to review what kinds of caveats the Macdonald commission put on any bilateral trade agreement between Canada and the United States. It chose to exclude agriculture from an agreement. It recognized the massive service sector, which was one in which the U.S. wanted to see trade liberalization on a world scale, but it removed this sector from its discussion after a mere three paragraphs and concluded that negotiations on services should be conducted on a sectoral basis. It said that Canada had to retain control over the pace of its natural resource development; it had to retain control on its taxes over resources and resource exports, all of which was in accord with the GATT provision. It recommended a free trade area, not a customs union or a common market. Which of these is the member's motion referring to?

It also stated that Canada ought to be able to reserve the right to exercise some controls over the movement of U.S. capital into this country, the right to retain independence on its tax policy, to retain independence on regulations for goods entering from third countries, and it stressed that Canadian policies had to continue to permit policies which would encourage local, regional, or sectoral economic development. It also said that we should be able to leave intact our social security and health care network. In addition, it recognized that the impact on Canadians would be in some cases severe and that we should be given more years than the United States to adjust to the agreement. But it also said the Canadian dollar should be allowed to fluctuate vis-à-vis the U.S. dollar, which would serve as a safety valve for Canadian industry to remain competitive.

Now, there was one problem, Madam Speaker, and that is that the United States had a completely different definition of what a bilateral free trade agreement would encompass. The member's motion makes no reference to the difference between the Canadian concept or the Macdonald report concept and the American one. What the Americans want to do is set an example for the world of what tariff and nontariff measures they expect to have after any multilateral talks. So we see that as the talks have progressed, so have the topics under review. More and more of them have been put onto the bargaining table. It includes agricultural protection and support programs, including their marketing boards, which are of all the types as well as perceived subsidies, even those on the transportation. The hon. Member for Vegreville has a number of times raised the issue of: should it be "pay the railroads" or "pay the producers"? Depending on which direction that subsidy or that payment goes, it could be interpreted by the Americans as a production subsidy.

The control of grain sales by the Canadian Wheat Board, the Autopact, unemployment insurance measures to the extent that they constitute export subsidies in American eyes -- these are all things on the table. Canadian royalty or rent extraction measures such as stumpage charges are quite obviously on the table, and I would have liked the member to have stated: is he prepared to have Alberta give up its right to levy royalties on our natural resources? Is he prepared to see that bargained away in these so-called comprehensive bilateral trade agreements? That's an important one because it obviously has been on the table in terms of softwood lumber. Is it on the table as far as energy goes? Alcoholic beverages; government procurement; trucking regulations; cultural industries, including the entire communications sectors involving telecommunications, radio, TV, and publishing the newspapers; transportation; advertising; and consulting -- and this is just the beginning, Madam Speaker.

The Americans want their corporations to be able to invest in Canada just as if we were 10 states of the United States, with no government surveillance or regulations. So what we're looking at is not a bilateral free trade agreement as envisioned by the Macdonald report. We're moving more and more -- at least as far as we can tell -- towards a common market or a common trade union with the United States. And this is why it's important that if the member wants to put forward clear direction for us to give to the federal government, he has to outline which of these things he feels we should be prepared to give up and negotiate away and which ones we should not.

One thing this whole debate has not seemed to recognize is that your ability to get something from the negotiating table depends on your negotiating strength, and our position as Canada is clearly much weaker than the American one. So very many

Albertans and Canadians of all political persuasions are concerned that the final agreement is more closely going to match the American model than it is the Canadian one. With those kinds of concerns, I don't think it is responsible for this Assembly simply to give a blank cheque of approval to the federal government. I think we have to be far more clear if we're going to give that kind of direction as to what the specific direction is that we want to give.

There have been a number of references made as to how Canada will benefit by such a free trade agreement. A number of the references in the past have been made to a study by two economists, I believe, at Queen's University. I believe it was done some years ago. But in that model these two economists projected there would be a real income increase of about 9 percent and employment would rise by over 5 percent. That is using the model they came up with. But now, even the Economic Council of Canada has taken another look at it and has revised those estimates, saying that they're far too high and that in their estimate 2 to 3 percent gains may be a more likely figure, provided that guaranteed access to the American market can actually be negotiated.

Now, let's take a look at that Harris-Cox model in which a lot of people have been claiming all these economic benefits to Canada. Where did they envision employment increases to come from? Well, they looked at the clothing industry and said we would have a 259 percent increase as a result of a free trade agreement with the United States; in textiles, a 156 percent gain; transportation equipment, a 59 percent gain; knitting mills, 48 percent; paper and allied products, 31 percent; urban transport equipment, 28 percent; and printing, 13 percent. Well, Madam Speaker, in view of what kinds of imports we're expecting from developing countries throughout the world, for us to rely on clothing, textiles, and knitting mills for an increase in Canadian employment I think is foolhardy.

Indeed, as far as transportation equipment and urban transportation is concerned, we already have something like free trade in the automobile and aircraft industries. And with the exception of fine papers, we have free trade on pulp and paper. So for any model to indicate that we're going to make major gains based on those particular sectors of the economy, again I submit is foolhardy. It's not enough for the member to rhetorically say that members of the public who express concerns about the free trade agreement are just living in some dream-world. The point is that in looking at the hard evidence, one has to reach certain conclusions.

For example, the University of Maryland developed what they call an in-forum model. Based on some different assumptions, they came up with some different results in estimating what this free trade agreement might mean to Canada. The interesting point, Madam Speaker, is that first of all, they could only agree with the Harris-Cox model on four out of 20 major industries. So the point is that we don't know a lot about employment in the various sectors of our own economy, and depending on the assumptions one makes initially, one comes out with completely different results at the end of any particular study one could do. So for anybody to assert here in this Assembly or anywhere that we're going to witness some significant benefit simply because someone says we're going to have some significant benefit, that must be very, very closely examined.

Indeed, Madam Speaker, to a large extent we could look at the way Canada exists right now, the pressures and pulls in our economy. We have a very strong economic sector in central

Canada, and we have regional economies that feed into that. We have seen flows of investment, flows of jobs, flows of economic growth. Indeed, our so-called regional development programs have had the effect of increasing jobs in central Canada, because it is an economic magnet for the entire country. Now indeed, it's the result of some specific policies that were set in place a long time ago, but in relation to the United States, Canada is in the same position to the United States economy as western Canada is to central Canada. And we have to recognize that with that magnetic pull there will be a significant pressure to move jobs, equipment, plants, and investments out of Canada and into the United States, especially given that so much of our economy is foreign-owned; that a free trade agreement may well result in these multinational corporations deciding to rationalize their operations into their American market. And these are very, very real concerns.

[Mr. Deputy Speaker in the Chair]

At the present time Canada exports 78 percent of all its exports to the United States. Ninety percent of our manufacturing exports go to the United States market. Now, let's imagine what would happen if the U.S. chose to terminate a free trade treaty. It would make it extremely difficult for us, just as it is difficult for us under today's circumstances, and none of us is blind to that reality. We are vulnerable to United States' unilateral action, and to a large extent our political sovereignty is dependent now on American goodwill; even more so would it be dependent in the future.

Now, before I allow the member simply to dismiss these concerns as being no more than the doom and gloom musings of New Democrats, I would remind him that there are lots of examples in history -- and I'll give you two -- in which this has happened. I'll refer first of all to the Zollverein, a customs union of independent states which came into being in 1834 under the leadership of Prussia. In 1871, after the Franco-German War, that union led to the political union known as Germany. And in the studies that have been done, Mr. Speaker, it was obvious from the very beginning of that union that one economy dominated all the others. So the political interests of the one dominated all the others to the point that there were various amendments made to those agreements over the years, but all of them resulted in Prussia getting what it wanted and eventually ended up in the complete total political amalgamation of those German states.

I wonder if members opposite are interested in knowing how Hawaii came from a sovereign state to becoming a state of the United States. It all started in 1848, when Hawaii took the first steps toward reciprocity in the sugar industry, wanting to firm up a treaty with the United States over sugar exports. Indeed, they signed a treaty with American negotiators in 1855, but the United States Senate did not ratify that treaty. In fact, U.S. politicians at the time of President Andrew Johnson were well aware of the position which Hawaii had -- they depended on their exports of sugar to the United States -- and saw a treaty as being the best way of preparing the ground for future annexation. A further treaty was signed by the United States and Hawaiian administrators in 1867, and after being considered a number of times in Congress, it was never ratified.

Finally, in 1875 a treaty was signed. It was finally approved by the Senate in six weeks and implemented in 1876 after enabling legislation was passed in Congress. It did result in some economic success for Hawaii, but its prosperity depended more

and more on its access to the U.S. market to the point that it was attacked by American interests time after time, and in 1890 the United States passed the McKinley Tariff Bill, which removed U.S. duties on raw sugar from all other countries. Thus Hawaii lost its privileged position in the U.S. market and as a result of that suffered further economic dislocations. As a result of going through this boom and bust cycle at the whim of the United States, it became disposed to annexation as a solution to its situation. After all, if you're completely and totally dependent on another nation and they can make decisions affecting you at their whim, the Hawaiians decided that their interests would be far better served to become a part of the United States, and as of August 12, 1898, a joint resolution was signed by the president to make Hawaii a part of the United States. It caused very little stir in Hawaii, I gather, because at that time it had seen itself to become so dependent on the United States and annexation was the only way to have continued free access to the American market.

Well, it's an example, Mr. Speaker, of where one party in that agreement was in such a weak position vis-à-vis the much larger and stronger economic market that they became so dependent on it and committed themselves so irrevocably to that larger market that they lost in essence all their political independence and sovereignty. Well, I could go into a lot more detail on that. My only point is, Mr. Speaker, that history has lessons to tell us in Canada in 1987.

Now, I know this government is proud of all the things it's able to do, but I wonder if it's had a chance to look closely at what impact this free trade agreement is going to have on their ability to carry out economic diversification and initiatives within Alberta, because they're all threatened, Mr. Speaker. For example, this government has taken a great deal of pride -- and I commend them for the success they've had recently -- in these Alberta heritage bonds. But those bonds clearly are discriminatory in that they're only available to Alberta residents. What if the Americans are able at the negotiating table to get Canada to sign an agreement that it will not discriminate in any way against American investment in this country? Quite conceivably that would mean the sort of bond issue that we've recently witnessed would not be possible.

The communiqué from Humboldt is interesting. I think the western Premiers recognize that this kind of change to our foreign investment should not be made at the negotiating table. They emphasize that existing rules should not be further changed, and they themselves recognize that the United States restricts foreign investment in certain areas. So they themselves recognize and give the signal to the federal government that they don't believe further changes in that area are warranted.

Indeed, I'm interested to see that the Humboldt communiqué endorsed a mechanism in which we would sort out contraventions under a free trade agreement. Well, this is all very interesting that we would agree to such a mechanism that would have the right to review provincial programs. I mean, we've been fighting Ottawa for years in this province to establish clear jurisdiction over provincial resources and to establish our government's right to manage those areas in which we have clear jurisdiction. Now, are we going to roll over and give it away to the Americans or some major bilateral trade commission that's going to be able to review any program that a provincial government wants to introduce? If we want to lower our royalty rates, as we did last year to support the energy industry, is that going to be subject to some review, to this particular review mechanism, to see whether it's acceptable under this free trade

agreement? Well, these are all important questions which I doubt any member of this Assembly here today can give us a clear answer to, yet the Member for Red Deer South is asking us to swiftly conclude these negotiations and for us to give that endorsement in the absence of answers to these important questions. It's amazing to me.

You know, I just wonder what ever happened to the party of John A. Macdonald. At least he had a national vision for this country. If economic considerations were the only measure of a nation, we would not be Canadians today, because, Mr. Speaker, Canada exists in spite of economic considerations. The economic forces in North America are north to south, and they have been since the beginning of this nation. But those early forebears, in conscious opposition to those forces, decided that Canada was going to be a nation spanning sea to sea, and we took the decisions necessary in order to forge that country. It took economic sacrifices to build the transportation systems to pull this country together. It took protective trade barriers. It took conscious political decisions to make Canada a reality, to resist the power of the United States, to exist as a separate nation in orbit around the American nation but not to be drawn into that United States of America. That was something that was at the beginning of our existence as a nation.

The fact that we still exist as Canada is a credit to the vision, the effort, the stubbornness, and the determination of those early Canadian pioneers, those who established this country. I believe that we owe it not only to them but to future generations to carry on that particular vision. There's too much at stake. And once concluded, a comprehensive bilateral agreement may well be impossible to rescind and will have unalterably changed our country. If we allow that to happen, Mr. Speaker, we will have failed both the vision of the past and the promise of the future.

Thank you.

MR. STEVENS: Mr. Speaker, I'm very pleased to be able to support Motion 220 by the Member for Red Deer South, urging the federal government to conclude swiftly "the negotiation of a mutually beneficial comprehensive bilateral trade agreement between Canada and the United States."

The member presented an excellent summary of the importance of trade to Alberta and indeed to Canada. I've listened with care to the Member for Calgary Mountain View, and I can only conclude that he has used very selective studies. It's something that labour negotiators use a great deal, this approach. They use selective studies; they do what we call in that business "cherry picking." He's picked certain statistics and certain studies to illustrate his point, but he's really out to lunch. And he should have his runners on. I know the member likes to wear runners, and he should have them on because he is certainly going to have to run hard just to stand still.

[Mr. Musgrave in the Chair]

I want to bring to members' attention that there are other studies, including the overwhelming support of the Economic Council of Canada in its 23rd review published in 1986. Now, in a nutshell, the council clearly demonstrated that over a period of years Canada stands to benefit greatly from freer trade arrangements with our neighbours and our good friends to the south in terms of output and employment. Indeed, Mr. Speaker, all sectors in Canada will gain from access to a larger market. As the council points out, yes, there'll be some firms and, yes, there'll be some communities that will lose ground. They'll

need to modernize; they need to restructure or specialize if they can survive. We need, as a government and as citizens, to be sensitive that some businesses will be lost and some jobs will be lost, but freer trade will increase output and employment opportunities overall.

Now, the new jobs may not go directly to those who are adversely affected. The dislocations can affect some men and some women with years of seniority in older and traditional lines of work, whereas new opportunities are likely to be available for more up-to-date skills in perhaps some widely dispersed areas. So I agree that freer trade is not without problems, but the council has constantly supported a multilateral trade arrangement involving the many parties of the General Agreement on Tariffs and Trade. Second on its list since 1975 or 1974 was a bilateral arrangement with the U.S.A. The last option that the council had favoured was the unilateral reduction of trade barriers by Canada alone, if necessary.

What did the Member for Red Deer South state? Jobs: this is the issue for Alberta. Jobs: this is the issue for Canada. We are highly vulnerable to protectionism because we are a small market. We have no direct ties to larger ones, and we are heavily dependent on international trade. Yet it's our very success as marketers, it's our very success as sellers in the U.S. market that has led to rising protectionism there.

Indeed, in the last six years alone there have been 22 antidumping investigations, 14 countervailing duty cases, and six escape clause actions, and these were all brought against Canadian exporters. Now, in these 42 situations in the last six years, only 12 have resulted in painful customs duties or voluntary export restraints and quotas. Whether these have affected our sugars and syrups or codfish or raspberries or hogs and pork -- anyone in these industries has been very badly hit by these problems and the resolutions to them.

The essential problem facing us as a result of the American response to the 1985 Quebec trade declaration by our Prime Minister Mulroney and by President Reagan -- and this is what the Member for Calgary Mountain View neatly didn't say. He said that the U.S. Congress has authorized the fast-track procedure. In other words, an overall trade agreement can be presented to Congress only if it is not open to amendment. Congress can accept it or they can reject it. This procedure expires in January of 1988, and that limits our time frame and [inaudible] very much the importance of this motion and its timeliness today.

As I indicated in the Assembly last year on June 19, 1986, when we debated in this Assembly Motion 202, which was put forward by my colleague the Member for Calgary North Hill, my constituents reject an Alberta-first policy, notwithstanding other provincial positions. We may be virtually alone in Alberta in our policy not to impose preferential conditions, but such a policy is much better for the Alberta taxpayer.

Now, there are some concerns, Mr. Speaker, and I think the Member for Calgary Mountain View correctly pointed out the concerns that exist in some of our industrial sectors. But he has not mentioned the studies that are put out by the Economic Council which support in four different simulated modes the importance of a freer trade case. There is a base case projection based on the assumption that there will be no change in trade policies beyond what is currently scheduled. The adjustments that the council made looked at four possible scenarios. Whether we look at the best case, which I would like to comment on briefly, or the worst case, which I think we should know about, the conditions are right for Canada.

The results in the best case show that the net impact on the Canadian economy of a mutual removal of trade barriers would be beneficial. In fact, with the elimination of trade barriers, the price of all of our imported goods would be reduced, and Canada gains not only from the lower price to our consumers but through increased costs of production and thus increased competitiveness. Somehow the New Democratic Party always forgets that. All industrial sectors, including our primary and our secondary and our manufacturing and our services, would gain in output. Unquestionably, there are some enterprises that have been highly protected and they would lose. Therefore, for many of these there would be very serious problems. But nationwide real economic growth would improve progressively, with net employment gains reaching over 200,000 by 1995. That's an incredible best case scenario.

If we turn for a moment and look at the worst case -- and I think we can look at the worst case. It's useful to assess the potential effects on our economy, particularly if that strong protectionist lobby in the United States is successful in their efforts. If we assume that rising U.S. protectionism would result in a 20 percent import surcharge on most manufactured goods entering the United States and that the trading partners, like Canada, supplying those imports would thus retaliate with a similar measure, we know the trading environment would then deteriorate. It would be hostility between us as trading partners, and our respective domestic economies would suffer. There's no question they would suffer. In Canada real growth would not only be reduced considerably, hurting both the investor and the consumer, but as industry had to adjust to an increasingly restrictive trading environment, there would be far less tax dollars available to our Canadian government. The level of employment would be lowered progressively, with a shortfall of over 520,000 jobs. Now, how can this House here today hear comments that we should not be getting into this at the fastest opportunity we can? We're gambling on 500,000 lost jobs as opposed to a surplus, a net increase of 200,000 new jobs.

The Canadian current account balance would worsen in that situation I mentioned. Our federal fiscal position would weaken considerably. We'd have lower revenues and higher inflation, based on indexed expenditures. And while inflation would rise substantially, fueled by increased cost of imported goods, it would not be until much later, perhaps late in this century, that these inflationary pressures would abate, dampened by high unemployment rates. Well, there are other situations examined by the council that are between these two, of course. But in all cases, it is important for Alberta, it is important for Canada, with these significant job gains in front of us, to put these into perspective and to go after them.

The evidence shows, Mr. Speaker, that Canadian industry is flexible. We are fantastic sellers, we are fantastic marketers, and we are great in our approach to our world markets. Firms have constantly adjusted to new competitive changes. New firms are entering the marketplace daily. Others are exiting or being bought out. For instance, in the last three years -- between 1981 and '84, which was a period of severe recession and recovery -- employment by firms in the manufacturing section was slimmed by 4 percent, or 76,000 jobs, yet during that same time, 10,000 new manufacturing firms were created. Now, the net job loss has resulted from rationalization. In other words, many of the firms that stayed in business during that period reduced their work force, and the net job losses resulted from their adaptation of new technology, not from their disappearance.

But workers, too, have demonstrated a remarkable flexibility



to adapt. In any given year, one-fifth of our working population, around 4 million people, leave employment or lose employment, while as many or more find jobs. There is considerable interindustry mobility across all industries. There's a high degree of mobility now between occupations, and one worker in two, after a period of unemployment, has changed his or her occupation or industry. There are serious difficulties for many workers, especially, as I mentioned, the older workers with seniority or those who do not have skills that are in demand at this time or have limited years of education. So as a government we have much to do in helping with retraining and helping employers with retraining. Our current research programs are being used to identify areas where we can attract workers and can train workers in industrial sectors, especially where they are most vulnerable, and offer advice to them as to how they can deal with these risks. As part of our commitment to the benefits of freer trade, our government and this province have a responsibility to show that those who are in need will find help in adjusting to this situation.

But the basic message is clear -- we can go forward -- we can negotiate bilateral and multilateral trade agreements -- or we can go backwards. We can put on our running shoes and just run backwards. We can accept the steady erosion of our current access to export markets created by protectionist trade actions in the United States, or we can just stop and cry that the sky is falling, as the Member for Calgary Mountain View has just done so well.

MR. ACTING DEPUTY SPEAKER: The Member for Westlock-Sturgeon.

MR. TAYLOR: Thank you, Mr. Speaker. I think I can be fairly short on this; I don't know how long we'll go.

When I first read the hon. Member for Red Deer South's motion, I thought: well, it's all right. But then I saw "mutually beneficial." Well, that left me with a nice warm, fuzzy feeling, in spite of the fact that my constituency is home to more caterpillars than anything else here in Alberta. Nevertheless, the fuzzy feeling went on, but then I saw "comprehensive bilateral trade." I said: now, there is an hon. member of the Legislature, Mr. Speaker, that knows how to square the circle and unscrew the inscrutable if he can get "mutually beneficial comprehensive bilateral trade" all into one word. It's very much like a square circle or a pretty graveyard. It's just very, very hard to wrap one's mind around.

I think then if you go back and analyze it, the "mutually beneficial" is really editorializing by the member. It would be better to say that he's asking us to ask the federal government to conclude the negotiation of a comprehensive bilateral trade agreement. That is the way it probably should have been stated, and I'm sure that if he had access to some of the research staff that we in the opposition have been so fondly imagined to have, of great superior quality, we could have framed that motion for him so that it would be very clear to debate. There was no need to put the little bit of editorializing in there: "mutually beneficial."

But I do think it is worth then looking at the whole question of bilateralism. I know some other members have already covered the statistics about how much trade will take place and how many jobs will occur, but if Canada has one thing -- if we look back through our history from the time we decided to knit a group of people from east to west rather than north to south -- it is that our power has always lain with creating a multilateral

group. Whether it is the British Commonwealth, which was a process back in the 1920s of knitting together many sparsely populated areas and countries so it wouldn't be dominated by the British homeland, or whether indeed it's with NATO, which is a fairly recent thing, after the last war, where we put together a defence agreement where it wouldn't be dominated by just the Americans or the British, or SEATO, the Southeast Asia Treaty Organization, we've always been exponents of multilateralism.

One of the key things we have to look at here is not only the question of free trade -- I really don't know how many jobs will be created or lost. I don't really think there's going to be that much difference, but what we're really doing is changing our whole foreign policy, our whole trade policy, from one of multilateralism to bilateralism. Very, very simply, bilateralism means wedding ourselves, cleaving ourselves, gluing ourselves to the United States of America. That turn of policy, unless you're not a historian -- I think through the years no matter what country it has been that's glued itself to another major country, whether it's in Europe or Asia or Africa, it has always resulted in the tail being dragged along by the rest of the dog.

[Mr. Deputy Speaker in the Chair]

And this is what's so dangerous about this on the surface, acquiring a few more jobs. And maybe you're right. Let's just suppose that for once this government and its parent Conservative Party in Ottawa are correct. I will even go that far, to make the argument so that we don't get into an argument on how many cars we'll sell and how many jobs we'll create. Just suppose we create more jobs. The fact of the matter is that we will have sold our souls to the United States for a mess of pottage. Some people say 30 pieces of silver, whatever way you want to call it. And to get up and argue at this stage of the game, after Canada has put together year after year, in the face of economic arguments over and over again -- as one of the members said, the Hon. John A. Macdonald would certainly turn over in his grave now with the idea that we are willing to take a chance on our sovereignty for a few extra jobs, which, by the way, I doubt will be there.

When you analyze the whole trade mechanism, nearly everyone agrees that 80 to 85 percent of our trade is already free with the U.S. That leaves somewhere around 15 percent. Of that 15 percent nearly everyone seems to agree that maybe another 10 percent is impossible to make into free trade. That's like newspapers, our banks, the CBC maybe; a few other things thrown in there. You get different looks when you throw in the CBC. But the point is -- let's say there's 10 percent -- we're really only talking about 5 percent or maybe at the most 10 percent of our trade, yet we're willing to enter this very, very dangerous agreement.

And to those that would argue that it is not dangerous, I would ask them just to take a moment and think what's already happened to FIRA, the Foreign Investment Review Agency. It wasn't that heavy a tiger before, but now it's absolutely toothless. In fact, now it's not even an organization; it's more like a prostitute. Anything that we have in Canada is for sale. It's out there advertising our wares, advertising our souls, advertising our body for anyone that will come in here and buy it. One has only to see the major takeover by Amoco, anything but an exemplary corporate citizen, one I've known for years. And I'm not giving it heck. To get after Amoco for grabbing a Canadian company or Canadian assets is like getting after a Doberman for biting a burglar. The fact of the matter is that they're oriented to

come out and try to exploit and take as much money as they can out of the country.

Yet Amoco is after Dome. Let's go over a little further. Ocelot, the Canadian oil corporation, the other day was taken over by the Mossbacher people. One only has to go to Calgary to go up and down and find how many oil companies are going right, left, and centre, and it's got nothing to do with the idea that suddenly they've discovered Canada. What they have found is a willing, compliant government up here that's willing to roll over and go to bed for a couple pennies. And this is what's happening with this government.

This government doesn't seem to realize that we're selling our sovereignty, because the next step after we've gone into a trade agreement -- you can see it now. After all, if we're a Canadian manufacturer and we're doing quite well, penetrating the American market, we will have common cause with the Americans then to form a customs union; in other words, a barrier against third countries trying to come in. In no time at all, our manufacturers will find that whatever is good for Uncle Sam is going to be good for Johnny Canuck as far as a market is concerned. Consequently, we will be joining the Americans in forming a customs union. And it's a very, very narrow area to go on from there to losing a great deal of your independence.

Now, if all we had was a manufacturing organization -- and I might even say that that might be worth while. The hon. Member for Red Deer South can actually feel that he's part of the *Dallas* show or the *Dynasty* show. He doesn't have to feel that he's looking across any border of any sort. And maybe that might not be that bad, but what will likely come out of it -- and here's the part that bothers me. We have in this country two very precious commodities that are maybe not worth that much now, but for the U.S. industrial giant down the road, it's very important to them; that is, oil and gas in abundant quantities, quantities far more than we're likely to use for the years ahead, and secondly, fresh water.

Now, the oil and gas: we can make up our mind whether we want to accelerate the development and sell it around the rest of the world and use the money to prime the economy. A lot of Canada's going to be very suspicious of that, because they've seen what happened here in Alberta when you said, "No, no, don't distribute royalties from the oil and gas; we'll keep it invested wisely for you." Well, you know what happened when the citizens of Alberta, after being shafted and not allowed to spend the money from the oil and gas they own, went to the heritage trust fund here in the last year and found it wasn't there either. So many people in Canada are going to be suspicious about any heritage trust fund. They might think, and they might be willing -- as we in the past were not willing to do -- to maybe not be in any hurry to sell their oil and gas. But the fact of the matter is that we will not have that right, if we are in a bilateral trade agreement with the U.S., to hold back our oil and gas if we want to hold it for our children, grandchildren, and great grandchildren, to use it as an incentive and use it as a back-ground or a leg up for cheaper energy to compete with the rest of the world. That will not be allowed. Our oil and gas will have to go across.

Likewise with fresh water. Fresh water is certainly -- anybody that's read anything about the U.S. -- one of the great shortages that any industrial nation faces, but particularly so here, Mr. Speaker. In the southwest U.S., as you know, it gets along about October, November, the Rio Grande River is dry before it reaches the ocean and the Colorado River is dry before it reaches the ocean. In other words, two of their major south-

west rivers do not handle the water that's necessary. So you can see down deep that maybe what we're getting here is the U.S. willing to give up a certain amount of its markets to get "let's have it now; let's make some money quickly; let's get some jobs any way we can" -- an attitude of Canadians, the return for the long term -- saying, "Well, we'll take some of that oil; we'll take some of that water they will want in the future." No, Mr. Speaker, I think that although there are many arguments for bilateral trade with the U.S., on the long term they're not, because we will not have the political clout to pull back and change when things are not going our way.

And as I say, the tradition we've had for years and years, if we are to have any power, is always to join a multilateral group, whether it's in defence or whether it's in trade, knowing that if the power of common sense was on our side and we could talk the other members into voting against any strong member. Common sense will not be worth a tinker's damn when it comes to an argument with the U.S. on interpreting bilateral trade down the line.

Finally, Mr. Speaker, if I may just take a moment, I will read one paragraph from, I think, a great Canadian, a Canadian that probably knows as much about trade as anyone could, a former finance minister, a westerner, was in charge of the grain board, was a western Canada economist, was brought out to help get the pipelines under way up to the northwest: a gentleman by the name of Mitchell Sharp, who still lives. His case is a very short paragraph indeed. [interjection] Since the argument -- I know he had red hair and he was a Liberal and of course he's going to be dangerous. If the hon. member for a minute would quit worrying about communists lurking under his bed and just listen, he might learn something. Mr. Sharp says:

Since the argument for free trade is so convincing, it ought to be applied on a wider front. Canada should be moving toward free trade not only with the United States but among members of the Organization for Economic Co-operation and Development, which includes the United States, Canada, the European Community and the European Free Trade area, Japan, Australia and New Zealand.

In other words, multinational.

No country, not even the United States, could dominate such a grouping. Canada would have several partners of comparable size, with improved opportunities to extend and diversify its trade.

There, Mr. Speaker, in concluding, is what we should be doing. We should be taking the broad view, the intelligent view, the view that our children and our grandchildren will thank us for, rather than selling our soul for 30 pieces of silver on the short term.

Thank you.

MR. DEPUTY SPEAKER: Hon. Member for Stony Plain.

MR. HERON: Thank you, Mr. Speaker. I'd like to at the outset say that I support Motion 220, and I'd like to say that the hon. Member for Red Deer South skillfully and accurately provided us with some numbers to show the importance of free trade to Alberta and Canada.

MR. TAYLOR: There's none so blind as those that will not see.

MR. HERON: Oh, I know that the hon. Member for Westlock-Sturgeon is chanting down there in the corner. He had some

difficulty with the wording of the motion, specifically that part of the motion which encourages the federal government to swiftly conclude the negotiation of a mutually beneficial comprehensive bilateral trade agreement between Canada and the United States.

He found great difficulty wrapping his mind around such difficult words. Well, my only response to that would be that some minds wrap a lot easier around difficult concepts than others.

Mr. Speaker, I say that the Meech Lake accord and bilateral trade talks go hand in hand. I say that the action taken by our Premier, the Prime Minister, and many other provincial leaders is history in the making: one Canada with equal partners, which was just a dream one short year ago. This month history is being created. One year ago it was a farfetched dream, an ideal. Today this dream is within grasp of being reality. Motion 220 supports the same concept: a strong Canada with equal partners; in the case of trade discussions, strong trade partners.

Thomas d'Aquino, president of the Business Council on National Issues, said, and I quote:

For the second time in a century, Canadians are engaged in an emotional debate about our future economic relations with the United States. The debate is about free trade -- it is about jobs, about markets and future growth, about culture, political independence, and sovereignty.

Mr. Speaker, like the Meech Lake accord, free trade talks would strengthen Canada's unity and patch up the discord and imbalances that have plagued us for so many, many years in western Canada. The impact of freer trade on Canadian national unity would be positive. Canadians who live outside of Ontario and Quebec have long understood why. The Macdonald commission summed it up this way:

It is probable that the most significant and long-term effect of free trade would be . . . the removal of one of the most persistent and corrosive sources of regional alienation in Canada's political history.

The commissioners were referring of course to the belief, still strong in the regions, that the manufacturing and industrial economies of Ontario and Quebec are being protected at the expense of the regions. Free trade will help remove one of the most persistent and corrosive sources of regional alienation in Canada's political history. Ontario and Quebec, in my opinion, are being protected at the expense of the rest of Canada.

Mr. Speaker, let me be clear about what we mean when we speak of free trade: an agreement in which the barriers would be removed from trade between the parties by agreement. We heard earlier some of the impact upon agriculture. I would encourage trade in agriculture, and I believe that we can compete on a level playing field. I find it extremely difficult to just say that we should abandon trade talks because one sector would be at a disadvantage; that is, for example, the poultry producers. I find it difficult to just look at it in isolation and say, "They can't compete." We would have to look at the total economic picture over time. We'd have to look at perhaps the reduction of the input costs. I find it difficult to believe that someone in Minnesota or one of the midwestern states can produce eggs and poultry and completely wipe out our producers here. It may take some adjustment, but I firmly believe that they are competitive on a level playing field.

Mr. Speaker, the Minister of Economic Development and Trade just today at a Chamber of Commerce luncheon provided an estimate of the value of exports when he said that for each billion dollars of exports that we gain, we stand to gain between

16,000 and 25,000 jobs here in Alberta. That's pretty impressive to me. That's a pretty large carrot to go out there and work for something which I believe is attainable and within our reach. The last figures I saw showed Alberta trade exports at over \$14 billion. We heard that figure confirmed earlier this afternoon by the Member for Red Deer South. Yes, other markets -- for example, in the Pacific Rim countries -- are important, but let's not forget that we are Albertans first and let's not forget how important the United States is to us and the fact that we export over 75 percent of our exports south of the 49th. We need long-term trade agreements.

I may by implication have indicated that Americans hold the cards; not so. The Member for Calgary Mountain View earlier spoke of their negotiating strengths and our weaker position. I think this is absolute nonsense given that we, even with these very restrictive trade patterns, have developed a market for 75 percent of our goods and services. They are our largest trading partners, and I think we have to work very, very hard to bring down the tariffs and protectionism that do exist. I for one would like to see an airplane or a bulldozer costing 40 percent less.

Mr. Speaker, I think it's very clear that the United States has some trade problems. I think it's been said before, and I reinforce it, that if the United States starts building fences, I can only hope that Canada is within their fence. Allan E. Gotlieb, the ambassador of Canada to the United States, spoke of the case of rising protectionism policies in the United States, and I quote:

Increased pressures for trade protectionism in the United States are not temporary. They result from a fundamental challenge to American predominance in world trade and investment. Without a regulating agreement, these pressures are a threat to the largest bilateral trading relationship in the world.

Again I relate my concerns about Canada being within that fence.

Let me be very complimentary of Prime Minister Mulroney's efforts to increase trade. The first clear steps by the Mulroney government toward Canada-U.S. trade negotiations were taken in March 1985 in Quebec, now known as the Shamrock Summit. Reagan and Mulroney met, and they started by indicating a mutual interest in reducing trade barriers between our two countries. [interjection] If the hon. Member for Edmonton Centre wants to hum and sing his hymn, perhaps he could find a better audience, for I for one listen very carefully. When such childish antics are deployed, I must speak out.

Mr. Speaker, the Report of the Royal Commission on the Economic Union and Development Prospects for Canada, put out by the Macdonald commission, spent some time discussing the free trade option. The commission rejected the maintenance of the status quo and the pursuit of a sectoral approach to free trade. It strongly supported the continuation of multilateral trade discussions and also noted the potential importance of bilateral negotiation. The Macdonald commission concluded that Canada's GNP could increase 3 to 8 percent as a result of a free trade agreement with the United States. The report recognized, however, that an adjustment period will be necessary, and some sectors need to be exempted for a final agreement.

It is worth noting that the former chairman of the Macdonald commission, Donald Macdonald, and the former Alberta Premier, Peter Lougheed, have joined forces to form an association called Canadian Alliance for Trade and Job Opportunities. This organization is working to further promote to Canadians

the importance of a Canada-U.S. free trade agreement.

In 1986 the Canadian Federation of Independent Business conducted a survey of its membership to determine members' views on how they believe free trade would affect their businesses. The results of the survey indicated that the Canadian small business sector believes by a margin of 5 to 1 that freer trade with the U.S. would either be a positive factor for the firms or have no impact at all.

Mr. Speaker, earlier we heard that it won't work, it can't work, and the hon. Member for Calgary Mountain View used, as was described before, very selective studies to make a point. I think of the bumblebee, for example, when all the aeronautical engineers dissected its ability to fly. Its body was too large, its wings were too small, its lift ratios weren't right, and all the rest of it. Well, for the benefit of our socialist friends, the bumblebee does fly; it does flit from flower to flower in life, enjoying the sweet nectar that's offered by this environment. I just have the greatest difficulty when I hear the highly selective statistics to support the doom and gloom scenario of "it can't work, it won't work," even going to the point of making reference to long-standing and early pioneer politicians. Well, my response to that is: thank goodness they weren't hampered or hindered by the NDP philosophy, which to me certainly hasn't proven in the past that they have any forward thinking.

The hon. Member for Westlock-Sturgeon went on to say that this government has a head-in-the-sand approach in that. Well, I want to refer to the protectionist attitudes which favour a central Canada supported by the central government and the just society of so many years. Thank goodness we have leaders like Mr. Mulroney who are prepared to take some risk, who are prepared to go out there and take the risks to create a better Canada.

Mr. Speaker, we could go on with examples of the various parts and segments of our economy that free trade may or may not hurt. I think that would be fruitless. What we have to satisfy ourselves as Albertans is that there are trade discussions and negotiations going on. In my opinion, we could go on at some length to weigh the pros and cons, but from my research and review of the very, very voluminous material at hand, I would say that the pros definitely outweigh the cons. I personally have no problem supporting Motion 220.

Thank you.

[Two members rose]

MR. DEPUTY SPEAKER: Order please. I believe the hon. Member for Edmonton Kingsway caught the Chair's eye.

MR. McEACHERN: Thank you, Mr. Speaker.

AN HON. MEMBER: We would be so lucky.

MR. McEACHERN: Yes. A few points. The sponsor of this motion said something about short-term thinking on the part of the New Democratic Party in terms of economic development, and I would just like to point out to him the short-term dunking of the Conservative government that is going ahead with this. The Prime Minister that is pushing this said during the last campaign that he had no interest in a free trade agreement. Two years later when he found himself in so much trouble that he knew damn well he wasn't going to get re-elected again come the next election, he decided he'd better find some kind of reason for his existence and grabbed onto free trade as if it was going to be the be-all and end-all of everything and somehow rescue him

and his government and the economy of this country.

Of course, that isn't going to happen. What he is really doing is selling us out in secret negotiations, jumping through what he calls a window of opportunity, trying to piggyback on Ronald Reagan's popularity. Who knows why. Because he only has a short time left as President and because Mulroney only has a short time left as Prime Minister, they've got to hurry this deal through and commit us to things that down the road -- well, the jobs aren't clear. Everybody keeps saying how many jobs this is going to create, but it's not clear. The studies do not show and do not bear out some of the rather selective -- talking of selective studies, the government is very careful which they quote. In some of the ones released by the federal government, they even cut out some parts of them because they weren't too flattering toward the free trade idea.

There are some interesting facts that don't seem to come out when we hear the Conservatives talking. For instance, tariffs now only affect about 1 percent of our trade with the United States, so what's the big deal about free trade? I mean, how's that going to suddenly change the world? Eighty-five percent of our lumber products are not affected by tariffs. So the government is jumping into something that it hasn't really stopped to think through, and the studies are very inconclusive at this stage.

We haven't even got our provincial act together yet in this country in terms of trade between the provinces, and here we've got this government saying that we've got to turn around and start free trading with the United States. We've got a lot of restrictions on trade between one province and another right across this land.

Most of the things that would be affected, then, aren't so much the tariff differences but the kinds of programs that we've built in this country after a great deal of thought and with a great deal of care: things like the Wheat Board; programs like selling bonds, that my colleague from Calgary Forest Lawn mentioned; health care; all kinds of basic things that we've built in this country that we think are good. Somehow we're going to put those all on the chopping block for a free trade arrangement with the United States that has dubious benefits.

One of the problems is that almost all the people that are promoting it have automatically assumed that a free trade arrangement will bring economic benefits of scale in terms of economies of scale, and that is no longer true. Economies of the world are changing. Now that we have computers, a number of new products, and we have a higher degree of flexibility in our industries nowadays, we do not need the big economies of scale that were developed by the Ford mentality and the General Motors mentality. In fact, economies of scale have reversed from demanding bigger and bigger plants and bigger and bigger companies to being smaller and smaller, in some industries as much as five to 10 times smaller than just 10 years ago. So the economies of scale argument that's sort of led most people, particularly on the Conservative side, to assume that jumping into this free trade deal would be a good one, just doesn't make sense any more.

In fact, three of the top financial analysts in the States think that the Canadian dollar is too low and that therefore one of the first things the Americans would do if we got a free trade arrangement is insist that we raise the dollar in relation to the American dollar. That would take away an incredible number of the benefits that we've experienced over the last few years by the fact that our dollar has gone down in terms of the exchange rate with the Americans.

The development of the service industry in North America

and particularly in Canada in the last few years has been incredible, and studies have not been done on the service industry yet as to what the effect would be. Yet the Americans have made it clear that the service industries are on the chopping block. If we're going to have a free trade arrangement, we've got to talk about the service industries. They're also saying, of course, that we have to talk about the financial industries as well, financial investment and free flow of capital, which I will get back to in a minute. So we're thinking of giving away all the right to review of foreign investment and all the regional controls that we've built up over a number of years, as our Member for Calgary Mountain View said.

We have in this country a central economy in Ontario, and the rest of us are sort of the hinterland. We have tried through the years to counteract that and to build in some programs that are Alberta programs, for example. And now you're saying that we've got to give all those up for another, bigger magnet that we will orient ourselves to, namely Washington. It doesn't take too much vision to look into the future to see that if the economic decisions of this country are being made in Washington, pretty soon people aren't going to say, "Well, let's send our representative to Ottawa," which has no power and no clout; let's send them to Washington, where the decisions are made.

You don't have to look too far back in our history to see that we've done a certain amount of that sort of thing already by allowing the Americans to take over our economy. For example, if you look back far enough, the British were our financiers before World War I. When the British were our financiers, they loaned us money, and we had control over what we did with that money. Since World War I and World War II and the Depression and the Americans' having more or less become the financiers of Canada, we now find that they have sent up brothers-in-law and company executives to take over and run the industries and have insisted on equity in our country. So we are one of the most foreign-owned countries in the world already in terms of our economy. All we're doing here now is saying: "Well, let's go all the way. Let's put everything on the chopping block, and let's just become Americans."

I see a government that's in a lot of trouble, grasping at straws and trying to lead us somewhat blindly into an arrangement that will be nothing but trouble for us over the next 10 or 15 years, grabbing this window of opportunity now before Ronald Reagan and Brian Mulroney get kicked out of office, which they will do soon.

MR. MUSGREAVE: Mr. Speaker, I rise to speak to Motion 220 but with some reservations. Mr. Mulroney received the largest mandate of any federal party to govern Canada. It is my opinion, Mr. Speaker, that we should neither urge him to do certain things nor praise him for doing things we approve of. In other words, we should do our job here and let the MPs do theirs in Ottawa. I agree, however, that we should meet with our MP as often as possible and support each other in whatever way we can. My member, the hon. Paul Gagnon, is doing an excellent job for Calgary North, and I hope our relationship will continue to be productive and supportive of each other.

However, that does not in my view mean that we as an Assembly should tell the federal government what they should or should not do. I realize that our Premier and our ministers and our senior civil servants meet regularly with their federal opposites, and I realize that our trade negotiations with the United States are strongly supported by the Alberta government. This work is ably co-ordinated by our minister of federal and

interprovincial affairs. This arrangement I strongly support, but as an Assembly we have our work to do, and let us never forget our responsibilities.

The reason I am speaking, though, is to explain to the Assembly why I broke my self-imposed restriction on commenting on actions of the federal government once before in this session. Some time ago the hon. Member for Edmonton Mill Woods -- and I'm glad to see he's in the House -- urged, in a letter to our minister of external affairs, that he as a member of this Assembly wanted Canada to supply arms to surrounding countries of Soudi Africa. The reason he wanted this to be done was so that those countries could end the apartheid regime in Soudi Africa. I wrote to Mr. Clark suggesting that violence never solved anything, that what Africa needs is a Marshall Plan type of arrangement, not bullets, to help solve the problems. The last thing we need is more sanctions, as suggested by the hon. member.

Unfortunately, for the hon. member, he spoke to the *Edmonton Journal* and suggested that I was a latent racist because I did not agree with his point of view. I assume, Mr. Speaker, that he's been correctly reported, because these people who are reporters do try to do the very best they know how. I can't say the same for their editorial board, as one Dr. Dawson mentioned here last week. Some of the editorial work is scurrilous,

MR. SIGURDSON: Mr. Speaker, on a point of order. Under *Beauchesne's* citation 299: "Relevancy is not easy to define. In borderline cases the Member should be given the benefit of the doubt." I believe the member is talking about the reasons we shouldn't be supporting a motion that directs the federal House as opposed to directing his comments to Motion 220.

MR. DEPUTY SPEAKER: The Chair would agree with regard to *Beauchesne* 299. It also says that the Chair has great difficulty interpreting that. In cases of doubt, it should always go to the hon. member who is speaking. Perhaps Calgary McKnight can go back somewhat toward Motion 220.

MR. MUSGREAVE: Mr. Speaker. I'll be back there very soon.

I'm not suggesting what the hon. member said was scurrilous, but I'm suggesting that in the future he may well be advised to make those kinds of statements within these four walls. The alternative is to be faced with defamation of character suits.

MR. FOX: On a point of order, Mr. Speaker. If the hon. member feels the need for apologies or to settle the score in some way, he should find some other forum. We're debating a motion by the hon. Member for Red Deer South.

MR. DEPUTY SPEAKER: Thank you, hon. member. Calgary McKnight.

MR. MUSGREAVE: I got their attention, Mr. Speaker. I would like to quote to members that old saying from Kipling:

If you can bear to hear the truth you've spoken

Twisted by knaves to make a trap for fools . . .

The hon. member is fooling no one when he uses foul words to cover up his shallow thinking.

Now we'll be glad to get to the motion.

Mr. Speaker, in view of the hour I move that we adjourn debate on this motion.

MR. DEPUTY SPEAKER: It has been moved by the hon. Member for Calgary McKnight that debate on Motion 220 be

adjourned. All in favour, please say aye.

SOME HON. MEMBERS: No.

SOME HON. MEMBERS: Aye.

MR. DEPUTY SPEAKER: Carried.

MR. DEPUTY SPEAKER: Opposed, please say no.

[The House recessed at 5:28 p.m.]