

**LEGISLATIVE ASSEMBLY OF ALBERTA**

Title: **Wednesday, December 9, 1987 2:30 p.m.**  
Date: 87/12/09

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

[Mr. Speaker in the Chair]

**PRAYERS**

MR. SPEAKER: Let us pray.

As Canadians and as Albertans we give thanks for the precious gifts of freedom and peace which we enjoy.

As Members of this Legislative Assembly we rededicate ourselves to the valued traditions of parliamentary democracy as a means of serving our province and our country.

Amen.

**head: INTRODUCTION OF VISITORS**

MR. GETTY: Mr. Speaker, a few short weeks ago we had a significant political event in Alberta. There was a by-election, as all members know, in the Chinook constituency, contested by five good candidates in a very good campaign. Because it was a by-election, there were all kinds of dire predictions for the government candidate. And then on November 23, 1987, the election was held. Every other candidate lost their deposit.

Mr. Speaker, we had a superb candidate in that by-election who waged a great campaign, and the people of her constituency gave her overwhelming support. She is with us today in your gallery, and I'm sure all members will want to welcome her: Mrs. Shirley McClellan, MLA-elect for the Chinook constituency, accompanied today by her husband, Lloyd. I'd ask them to rise and be recognized by this Assembly. [applause]

**head: PRESENTING PETITIONS**

MR. MITCHELL: Mr. Speaker, I wish to present a petition signed by over 600 residents of Alberta. These citizens request that the Assembly urge the government to reconsider its disastrous health care policies.

I have a second petition as well.

MR. SPEAKER: That will get recognition in a moment. Edmonton-Avonmore.

MS LAING: Mr. Speaker, two weeks ago I tabled a petition with 8,400 names, signed by Albertans calling for, among other things, that Alberta be declared a nuclear weapons free zone. I would today table a further petition signed by 68 Albertans.

MR. SPEAKER: Edmonton-Meadowlark.

MR. MITCHELL: Thank you, Mr. Speaker. I wish to present a second petition signed by over 100 residents of Alberta. These citizens request that the Assembly urge the government to

reconsider its decision to deinsure Alberta health care coverage of optometric services.

**head: PRESENTING REPORTS BY  
STANDING AND SPECIAL COMMITTEES**

MR. SCHUMACHER: Mr. Speaker, the committee on private Bills has had the following Bills under consideration and recommends that they be proceeded with: Bill Pr. 25, Security Home Trust Company Act; Bill Pr. 26, Fair & Millikin Insurance Company Act; Bill Pr. 27, Hermo T. Pagtakhan Bar Admission Act.

I request the concurrence of the Assembly in this recommendation.

MR. SPEAKER: Having heard the request from the hon. Member for Drumheller for concurrence in the recommendations of the Standing Committee on Private Bills, does the Assembly agree with the request?

HON. MEMBERS: Agreed.

MR. SPEAKER: Opposed? Carried.

**head: NOTICES OF MOTIONS**

MS LAING: Mr. Speaker, I rise today to give oral notice that I will rise under Standing Order 40 at the end of Oral Question Period and seek the unanimous consent of the Assembly to waive the normal notice requirements so I may then put on a motion congratulating and thanking Messrs. Reagan and Gorbachev on the event of their signing the intermediate nuclear force treaty yesterday. I have copies of the notice for all members.

**head: INTRODUCTION OF BILLS****Bill 234****An Act to Amend  
the Pharmaceutical Association Act**

MR. GOGO: Mr. Speaker, I beg leave to introduce Bill 234. An Act to Amend the Pharmaceutical Association Act.

Mr. Speaker, Albertans cherish very highly the value of their health care system. The principle of this Bill is to ensure that when a pharmacist is filling a prescription, he will use a drug or drug combination that is the generic or brand name equivalent of that named in the prescription at the lowest possible cost.

MR. SPEAKER: Hon. Member for Lethbridge-West, as the Chair was engaged in a few other things, it was indeed Bill 234; is that correct? Thank you.

[Leave granted; Bill 234 read a first time]

**Bill 249****An Act to Amend the School Act**

MR. GOGO: Mr. Speaker, I beg leave to introduce Bill 249, An Act to Amend the School Act in Alberta.

Mr. Speaker, the Bill provides that in each and every school in Alberta at the commencement of each day, each school will hold an assembly attended by all teachers and students at which

the national anthem will be sung.

[Leave granted; Bill 249 read a first time]

head: **TABLING RETURNS AND REPORTS**

MR. M. MOORE: Mr. Speaker, I would like to table copies of the audited financial statements for the year ended March 31, 1987, for seven Crown hospitals. They are the Alberta Cancer Board, the Alberta Children's Provincial General hospital, the Foothills Provincial General hospital, the Glenrose Rehabilitation hospital, the University hospital board, Alberta Hospital Ponoka, and Alberta Hospital Edmonton.

In addition, I would like to table the annual report for the year 1986 for the Alberta Association of Optometrists.

MR. YOUNG: Mr. Speaker, I wish to table Motion for a Return 192, accepted on April 14 by my colleague the Hon. Neil Crawford.

MRS. CRIPPS: Mr. Speaker, I wish to table the Farm Safety Rural School Program Review report. It highlights the recognition of the importance of farm safety in agriculture.

MR. SPEAKER: Minister of Recreation and Parks.

MR. WEISS: Thank you, Mr. Speaker. It's my pleasure to table the 10th annual report of the Recreation, Parks and Wildlife Foundation. While I'm on my feet, I'd like to extend a thank you to the many hundreds of volunteers who worked so hard to make the foundation's program so successful.

MR. ROSTAD: I'd like to table, Mr. Speaker, the annual report for the Mortgage and Housing Corporation.

head: **INTRODUCTION OF SPECIAL GUESTS**

MR. ALGER: Mr. Speaker, within the confines of the public gallery today are three Highwood constituents who all hail from the home of the Nanton Lancaster bomber. They are members of the society for the preservation of the said aircraft, and I present to you the president of the society, George White, and two very significant members of the board, David Birrell and Danny Fox. May I ask them to rise in their places to accept not only the warm greetings of the House but the best wishes of all of us for a successful conclusion to their very sincere and beneficial endeavour.

MR. SPEAKER: Edmonton-Belmont, followed by the Associate Minister of Agriculture, followed by Red Deer-North.

MR. SIGURDSON: Thank you, Mr. Speaker. It's my pleasure today to introduce to you and to all members of the Assembly, 14 grades 2 to 5 students from the Kildare elementary school in my constituency. These 14 students are members of the academic challenge class. They are accompanied today by their teacher Nancy Hillerud and a junior high school helper Jodie Bell. I would ask that they rise and receive the warm welcome of the Assembly.

MRS. CRIPPS: Mr. Speaker, it's my pleasure today to introduce Costas Papageorgiou, who is the director of the national hail suppression program in Greece. With him today is

Douglas Davison from INTERA. Costas is here to review our experience in hail suppression. They are in the Speaker's gallery. Would they stand and receive the warm welcome of the House.

MR. SPEAKER: Red Deer-North.

MR. DAY: Thank you, Mr. Speaker. Also in your gallery today -- it's of significance today that as we've introduced a new member to the Assembly, we have the honour of welcoming a former member, Mr. Jim McPherson of Red Deer. Mr. Speaker. I believe it's a fitting testimonial to the tremendous job he did in serving his constituents and indeed all of the province that the government in its wisdom deemed it necessary to have two MLAs follow him, and it is an honour for us to follow in his large footsteps. I would ask every member of the Assembly to give him a warm welcome today.

MR. SPEAKER: Edmonton-Gold Bar, and then we're going to come to Redwater-Andrew. This is almost as exciting as question period.

MRS. HEWES: Not quite. Thank you, Mr. Speaker. It's my pleasure to introduce to you and through you to the members of this Assembly, a group of grade 6 students from Holyrood school in Edmonton-Gold Bar. The students are accompanied by their teacher Gracia Brinkman. They are seated in the public gallery. May I ask that they rise and receive the warm welcome of the House.

MR. SPEAKER: Redwater-Andrew, followed by Calgary-Glenmore.

MR. ZARUSKY: Thank you, Mr. Speaker, and I'm sure this is more exciting than question period. Today I have the honour of introducing two people to you and through you to the Assembly. One is a very important person to the Redwater-Andrew constituency. She's Audrey Laschuck, and she is my constituency secretary for the Smoky Lake and Lamont office. The other is Father Roman from St. Basil's Cathedral, and he's visiting the Legislature and hopefully putting the blessing on the free trade agreement here. They are in the public and the members' galleries. I ask that they rise and receive the warm welcome of the Assembly.

MRS. MIROSH: Mr. Speaker, I'd like to introduce to you and through you to members of this Assembly, a member of my constituency from Calgary-Glenmore, Mr. Harley Stumpf, who is sitting in the members' gallery. Mr. Stumpf, if you'd please rise. Mr. Stumpf is from the 285 Legion and fought in World War II. I would like this Assembly to know that he has perfect attendance at all my town hall meetings and is the only one that does. I'd like you to join me in giving a warm welcome to Mr. Stumpf.

MS MJOLSNESS: Mr. Speaker, it is my pleasure today to introduce to you and to members of the Assembly, two groups of students on behalf of the Member for Edmonton-Glenarry. The first group is 23 grade 10 students from Archbishop O'Leary school. They're accompanied by their teachers Mr. Michael Carby and Mr. Roger Lecuyer. They're seated in the public gallery, I think, and I would ask them to rise and receive the warm welcome of the Assembly.

The second group, Mr. Speaker, is 34 grade 6 students from the Lauderdale school in the constituency of Edmonton-Glengarry. They're accompanied by their teachers Mrs. Safont and Mr. Allen, student teacher Miss Schuurman, and aide Mrs. Prediger. I would ask them to rise and receive the warm welcome of the Assembly.

MR. ROSTAD: Mr. Speaker, it gives me pleasure to introduce, last but certainly not least, 26 grade 10 students from the Bawlf high school in the Camrose constituency. They're accompanied by Mr. Lyle Erga, a teacher, and Hazel Erga as an escort. I'd ask them to stand and receive the warm welcome of the Assembly. They're in the members' gallery.

MR. HYLAND: Mr. Speaker, I'd like to introduce some members of the Alberta Cattle Commission who are attending the Assembly this afternoon: first, Mr. Warren Brower -- Warren and his family are my most southerly constituents, living about 200 feet north of the American border -- Tom Livingston from the Brooks area, and Wayne Heller from the Irvine area.

MR. TAYLOR: Mr. Speaker, if I may be allowed to join this parade, I'd like to introduce through you to the Legislature a very hardworking chairman of a group of electors in the Peace River country, working on behalf of farm causes up there. Ms Wendy Hale is sitting in the public gallery,

head: **ORAL QUESTION PERIOD**

### **Oldman River Dam**

MR. MARTIN: Mr. Speaker, I'd like to direct my first question to the minister of dams, over there. Today we saw an example of the incompetence of this government in action. I'm of course speaking about the judgment that was sent down today between the Friends of the Oldman River Society and the Minister of the Environment. The minister is well aware that they've ruled against this minister. Because of that, I note it says in here that in light of the clear noncompliance on the part of Alberta Environment with the mandatory statutory requirements imposed under Sections 15(8) (b) and 17 of the Act, the Minister exceeded his jurisdiction by granting the interim Permit.

It goes on to say that they're

quashing all licences and permits issued by the Minister and/or Controller resulting from the initial application.

Mr. Speaker, my question to the minister: in view of the fact that the minister clearly lacks the authority to continue with this Oldman dam, has he issued a stop-work order at this point?

MR. KOWALSKI: Mr. Speaker, the decision that was made public today as a result of a recent hearing before the Honourable Chief Justice Moore basically quashed an administrative order that was issued by an official in Alberta Environment. The hon. member points out and has quoted one line from the document issued by the chief justice.

It should be pointed out as well that as of February 1982, there has been delegated authority with respect to this matter, and since that period of time the controller of water resources is authorized and empowered to undertake those duties and responsibilities of the minister set forth under various sections of the Water Resources Act.

I might point out as well, Mr. Speaker, that under the legal process, my understanding is -- and I've been so advised by legal counsel -- that we must await another further document that

will be forthcoming from the chief justice, a document referred to as an order.

MR. MARTIN: Well, Mr. Speaker, a supplementary question. It says in here clearly that "the Minister exceeded his jurisdiction." They screwed up even getting permits.

My question is to the minister. We want to know, with this ruling, rather than waiting on another one -- this is very clear. Has the minister issued a stop-work order or not? The people of Alberta want to know this, Mr. Speaker.

MR. KOWALSKI: I think, Mr. Speaker, it's important to note that since February 1982 decisions with respect to the issuing of interim licences with respect to water resources matters have been delegated and under the authority of the controller of water resources. The controller of water resources has issued approximately 670 interim licences each and every year since that particular time.

It's questionable whether or not at this point in time, pending further legal advice, the question the Leader of the Opposition has raised is one that has been addressed in this particular decision by the judge today.

MR. MARTIN: Mr. Speaker, this is very clear. This has come down from the courts. Is the minister saying that he's going to ignore this judge's ruling and continue to break the law? Clearly it's illegal. Is that what he's saying?

MR. KOWALSKI: Absolutely not, Mr. Speaker. It has to be very clear that there are a number of steps that will now be undertaken with respect to this matter. I've already indicated that it's my understanding that an additional document will be forthcoming from the chief justice, referred to as an order by the people in the legal community. In addition to that, it will be the intent of the government of Alberta to appeal this decision.

Secondly, the Department of the Environment, meaning Alberta Environment, will reapply in accordance with the recommendations of the chief justice as outlined in this particular document today. In addition to that, Mr. Speaker, the controller of water resources will be provided with all of the information that the chief justice indicated was missing, as per the direction of the chief justice. It's our intent to comply with all of the aspects of the decision rendered by the chief justice today.

MR. MARTIN: Mr. Speaker, obviously the minister can't control even what's going on in his own department. Again he's shown his incompetence.

My question is to the Premier. The government can't even issue its own permits without screwing it up. My question is: does the Premier still have confidence in this minister to be the Minister of the Environment?

MR. GETTY: Mr. Speaker, while it is true that the chief justice has found a legal technicality which has caused him to issue the decision which he has, the matter nevertheless is now in the hands of the chief law officer of the Crown, the hon. Attorney General, who will deal with it along the lines as expressed by the Minister of the Environment. [interjections]

MR. SPEAKER: Order please. The Chair just wishes to express its concern about the phrase that has been used twice. In light of the fact of the general public watching the proceedings as well as the schoolchildren, I think perhaps another phrase

could be used other than "screwing it up."

MR. R. SPEAKER: Mr. Speaker, a supplementary question to the Minister of the Environment with regard to this matter. My representation is on behalf of hundreds of southern Albertans who have fought hard to have a dam built on the Three Rivers site. Could the minister indicate at this time that all haste will be taken to remove any legal delays to proceed with the dam and the construction of the dam so that the target date that was established within the last two years can be maintained?

MR. KOWALSKI: Mr. Speaker, it's the intent of the government to appeal the decision of the chief justice today, and that will follow the normal legal process and options available to the government.

MR. TAYLOR: Mr. Speaker, my question is to the Attorney General. In view of the fact that the Minister of the Environment has shown that he's either unable or will not comply or understand the rules and regulations of this province, is the Attorney General going to take it upon himself to make sure that this dam is suspended rather than leave it in the hands of such an incompetent minister?

MR. HORSMAN: Mr. Speaker, as has already been indicated, it is the intention of the government, once the order has been filed with the Court of Queen's Bench, to consider all legal steps which might be undertaken or required as a result of this judgment. As has already been indicated, it will be the intention of the government to appeal this decision of the chief justice.

It is of course a legal matter that is of some complexity, since the ruling came as a result of an application for an order for certiorari, which in itself is a rather limited prerogative writ. Therefore, not all the information which the Department of the Environment now has in its possession was available to the administrative official at the point in time it was under examination. That information will of course be made available now, and we will have to see what additional legal steps will have to be undertaken to ensure that this major undertaking on behalf of all of southern Alberta will proceed appropriately and legally.

MR. BRADLEY: A supplementary question, Mr. Speaker. Given the fact that, under the Prairie Provinces Water Board, Alberta is required to pass 50 percent of the flow of the South Saskatchewan River at the Saskatchewan/Alberta boundary and that the Bow, Red Deer, and Oldman rivers make up the South Saskatchewan River system, could the Minister of the Environment advise the Assembly as to the impact of not proceeding with the Oldman River dam on future requirements for water for domestic, municipal, industrial, agricultural, and recreational uses to benefit the citizens of not only the Oldman River basin but also the citizens of Calgary, who live on the Bow system, and the citizens of Red Deer, who live on the Red Deer system?

MR. KOWALSKI: The impact, Mr. Speaker, would be horrendous. I think, as all Albertans know, that while we're basking in above-average temperatures right now and as we sit here on December 9, 1987, we've not had any moisture drop on our province since the second and third weeks of August 1987. As well, I think it's very important that we should all remember the drought situation that enveiled our province from the early 1980s through the mid-1980s and the very negative impact on all forms of life, be it wildlife, animal life, plant life ...

MR. SPEAKER: And our life.

Second main question, Leader of the Opposition.

MR. MARTIN: Yes, Mr. Speaker, I'd like to designate my second question to the Member for Edmonton-Beverly.

### **Workers' Compensation Board**

MR. EWASIUK: Thank you, Mr. Speaker. My question this afternoon is to the Minister of Community and Occupational Health, who also has responsibility for the Workers' Compensation Board. This year's budget of the Workers' Compensation Board was slashed by 62 percent. Appeals by injured workers to the claims services committee have increased by a whopping 109 percent to October of this year as compared to the same period last year. For 65,000 worksites in Alberta there are only a total of 55 worksite inspectors. Now, what conclusions would the minister draw from the fact that there are one and a half times as many permanent park rangers in Alberta and twice as many wildlife officers in this province as compared to worksite inspectors?

MR. DINNING: Well, Mr. Speaker, once again the hon. member doesn't have his facts put together in any organized or factual fashion at all. First of all, the Workers' Compensation Board's annual budget has not been reduced by anywhere in the numbers that the member has mentioned. The board's budget is fully intact and has all of the resources available to it to pay compensation to injured workers, all of the compensation they are entitled to.

The member also threw in some comments about occupational health and safety and inspection. Mr. Speaker, he quoted some erroneous number. We in fact have 79 inspectors in our occupational health and safety division, and in 1986-87 they made nearly 12,500 inspections of various worksites throughout the province.

MR. EWASIUK: A supplementary, Mr. Speaker. Well, is it the minister's position that his 20 percent cut in the education and development program funding and a \$60,000 cut in worksite inspection funding have contributed to a safer workplace for the average working men and women in this province who have to rely on his department for safety in their workplace?

MR. DINNING: Well, Mr. Speaker, the government does not pretend to be responsible for accidents in the workplace. That is the responsibility of individual employers and individual employees. No government should take that responsibility on. It belongs to those who work in the workplace and are responsible for it.

As for the number of accidents, the hon. member once again doesn't seem to have his facts straight. In fact, the number of accidents that took place in the workplace in 1986 over 1985, the last numbers that we've calculated, actually fell from 1985. MR. EWASIUK: I think the figures are up greater than that, Mr. Speaker; there's about an 11 percent increase in accident rates.

Will the minister identify the unions and the labour organizations consulted during his consultant's review of workers' compensation, and will he file copies here of the correspondence from those bodies responding to his invitations to participate in the review?

MR. DINNING: Mr. Speaker, that was a matter that was dealt with on the Order Paper just the other day. I also don't seem to see the connection with the first question, but I can tell you that we at the Workers' Compensation Board, in the directional planning process, consulted with a number of union organizations, including the Alberta Federation of Labour, including a number of other employer organizations, and the result and the report of those consultations will be made available in January of this year.

MR. EWASIUK: Well, Mr. Speaker, this minister makes statements about information that we've never been able to see, I'm asking for copies of the documentation he has received from those labour groups that he's asked to participate. Will the minister accede to the demand of injured workers, of healthy workers, and of thousands of Albertans across this province to establish a full series of public hearings, provincewide, into the workers' compensation system?

MR. DINNING: Mr. Speaker, I answered a similar question from my colleague for Lacombe on November 26 and said at that time that once the consultant's report is released in January of next year, I would expect that would be the document that would be a useful tool for public debate. At that time, all Albertans, including injured workers, employers, and other employees, will have a perfect opportunity to express their views on the Workers' Compensation Board.

MR. SPEAKER: Member for Lacombe, supplementary, followed by Edmonton-Gold Bar,

MR. R. MOORE: Thanks, Mr. Speaker, Supplementary to the minister. Is it correct that the Occupational Health and Safety Council, which has organized labour recognized and employers, is advising the minister on an ongoing basis on all these issues?

MR. DINNING: Well, Mr. Speaker, the hon. member is absolutely right. We have an Occupational Health and Safety Council, under the chairmanship of Mrs. Maureen Shaw of Bragg Creek. That council has been providing me with an awful lot of good advice, including actions that this government should be taking to encourage the oil and gas industry in particular to take responsible action to make sure that safety is a number one priority in the oil and gas patch.

MR. SPEAKER: Edmonton-Gold Bar, supplementary.

MRS. HEWES: Thank you, Mr. Speaker. Last spring I raised the need for a review of the WCB and was informed that there was one going on; wait for it. When is the minister going to make public not only the administrative review of the Workers' Compensation Board but his responses to it, in the sense of what action besides another review of the same situation he's going to take so that we'll all know the awful truth?

MR. DINNING: Mr. Speaker, the report that I spoke of, a directional plan, a review of all aspects of the Workers' Compensation Board, will be released in January. Those will be our suggestions, our proposals, our recommendations on action that must be taken to improve the management and the organization of the Workers' Compensation Board. Then we will have a perfect opportunity for all Albertans to express their views. Once Albertans have had a chance to express their views, then this

government will take the appropriate action.

### Free Trade

MR. TAYLOR: Mr. Speaker, my question is to the Premier on the free trade shilling he's doing. Many Albertans are getting pretty fed up with the evasion, arm-waving, and rhetoric whenever we try to ask him a question and ask him for a plain, commonsense answer. The public wants to know and in fact the public has a right to know just what is being agreed to in this proposed agreement and how it will affect their lives.

Now, the first question is to elaborate a bit on yesterday's question on the value of our dollar. Can the Premier tell us if Ottawa has told him what their long-term plan is for controlling the value of our Canadian dollar with respect to the American dollar? Is it to hold it the same, let it drop, or push it up?

MR. GETTY: Mr. Speaker, I don't believe we've gone into it in any great detail. It's been discussed from time to time. Those are discussions obviously that I would not find it wise to deal with in a public way in order that some people might well want to speculate on that information.

MR. TAYLOR: Mr. Speaker, this is unbelievable. A rise of 10 or 15 cents in our dollar could ruin our agricultural exports here in Alberta, and he says he has no concept. Could the Premier tell us that at least there's some sort of mechanism set up whereby the Prime Minister of this country, before he can fiddle with the value of the dollar, will have to come back to the first ministers? Otherwise, we could ruin our agricultural exports.

MR. GETTY: Mr. Speaker, that's hypothetical hogwash.

MR. TAYLOR: Mr. Speaker, I know you got rid of one word that you said wasn't parliamentary, but I can say, "Holy smoke, what have we got here?"

Let's go on to something else. Is the Premier aware that under "Temporary Entry for Business Purposes," for the transfer of labour between the two countries, the Americans are going to allow us to transfer executives down there without question, but we in turn will allow any form of labour to be transferred up here. What is the Premier doing, or has he consulted with his national leader to find out what we can do, to stop a flood of cheap, southern U.S. labour in here when there are megaprojects put on the burner by his government?

MR. GETTY: Again, Mr. Speaker, a bunch of hypothetical hogwash.

MR. TAYLOR: Mr. Speaker, at times I feel I'm just working on a punching bag, but I guess I can't take sympathy. Will the Premier then stop this shameful attitude of his and strike an all-party committee for January and February that will have public hearings for those in this province that have concerns and also have tabled those studies that he already has so that they can be studied in committee? Would he do that in January and February, so the people of this province at least have some idea what he has agreed to when he talks to his Prime Minister?

MR. GETTY: Mr. Speaker, if the House wanted to adopt some all-party committee, the hon. member should put it on the Order Paper and let the House decide.

MR. MARTIN: Mr. Speaker, to the Premier. We're gamely waiting for this final draft that's supposed to be coming sooner or later, with a January 2 deadline. My question to the Premier: is the Premier aware of what's in the final draft and what's been given up since the last time he saw the transcript? Is he aware of it at this point?

MR. GETTY: Mr. Speaker, officials of the government have been in Ottawa dealing with final drafting and the final transcript. We believe it will be here to us sometime this week. As I think all members know, there will be a first ministers' meeting late next week in which it will be gone over by all governments in Canada, officials, ministers, and first ministers, in some detail.

### Water Management

MR. R. SPEAKER: Mr. Speaker, my question is to the Minister of the Environment. Since the subject of dams is on his mind, I'd like to raise the issue that was raised during the recent cabinet tour in that area with regards to the dam on the Little Bow River and Mosquito Creek. Could the minister indicate at this time whether the decision has been made with regards to proceeding with that dam, and has any target date been established?

MR. KOWALSKI: Mr. Speaker, in recent years there have been a number of reservoirs that have been brought to completion in southern Alberta, including Badger Lake, Stafford, Forty Mile Coulee reservoir, and the Bassano dam that was opened in 1987, and as all members know, construction is ongoing at the Oldman River dam. There are a number of other additional projects that are currently under review, including a reservoir on Mosquito Creek that would provide water to Clear Lake and regulate flows in the Little Bow, and in addition to that, review is also being made of a proposed reservoir on Pine Coulee or Willow Creek and on the Milk River as well. All three are under review, Mr. Speaker.

MR. R. SPEAKER: Mr. Speaker, at that time in September the minister indicated that soil samples and drilling would take place posthaste after the cabinet tour. I was wondering if the minister has established a time schedule for that and will be allotting budgetary funds to proceed with that responsibility.

MR. KOWALSKI: Mr. Speaker, the Minister of the Environment doesn't recall making that statement or that commitment, but it sounds like a pretty good idea, and I'll certainly take it under review.

MR. R. SPEAKER: Mr. Speaker, supplementary question to the minister. Could he indicate whether the structures that were listed in his previous answer will be budgeted for? I can't ask the amount, but will there be a budget for those structures in the 1988-89 budget?

MR. KOWALSKI: Mr. Speaker, as the hon. member knows, one will have to await really the direction given to the Assembly by the Provincial Treasurer when he brings down the budget for 1988.

MR. TAYLOR: Mr. Speaker, supplementary to the Minister of the Environment for dam-building. Providing he has managed

to get the permits straight and provided we are not going to get sued, can he give the House an estimate of what the cost of that dam works out to per individual that's going to use the water downstream? I understand only 50 farmers or ranchers will have an advantage from that. Admittedly, they're in a very good constituency.

MR. KOWALSKI: Mr. Speaker, what the hon. member has not done is identify what dam it is he wants to talk about. I mentioned the Badger Lake, Stafford, Forty Mile Coulee, Bassano, Pine Coulee, Mosquito Creek, Milk River; I forgot Hutch Lake as well. Perhaps the member would be good enough to at least tell me which of these reservoirs that are very important for water conservation and preservation and regulation it is that he is most interested in.

MR. HYLAND: Supplementary question, Mr. Speaker. In the construction of dams and reservoirs the minister mentioned, I wonder if he can inform the Assembly how many rural municipalities in southern Alberta and how many people in those municipalities benefit from the construction of those projects?

MR. KOWALSKI: Virtually everyone, Mr. Speaker. Alberta is in an overall deficit position with respect to water. That may sound like a statement that would cause some people to lift their eyebrows, but in our province of Alberta we are simply in a deficit position for water. Of course, we have a surplus, an incredible surplus, of water in the northern part of the province, but we have an enormous deficiency of water in the southern part. In order to make sure that we preserve, conserve our very rare and precious resource known as water, then we must manage that resource. These water projects are built for that, to ensure that we do have life in southern Alberta so that we do have a society in southern Alberta.

MR. HAWKESWORTH: Supplementary to the Minister of the Environment. I wonder if the minister will take the opportunity at this point to assure the Legislature that he's going to review the original findings of the Environment Council of Alberta regarding the Oldman River dam and adopt the alternatives that were outlined in that report.

MR. KOWALSKI: Mr. Speaker, on Friday last I invited all members of the Assembly to join with me when I presented a major speech to the Environment Council of Alberta. Unfortunately, the Member for Westlock-Sturgeon, of course, was more concerned about other matters than being concerned about protection of the environment. I noticed that the hon. member who has just raised the question didn't attend. I am going to be circulating to all members of the Assembly a speech that I presented to the ECA. My comments are contained within that speech.

However, if I could get the unanimous approval of the House to respond, I'd be very glad to quote from this very important speech and state the message of Environment with respect to that, but I think I would need unanimous consent . . .

MR. SPEAKER: Member for Wainwright, followed by Edmonton-Strathcona, Edmonton-Gold Bar, Drumheller, Cypress-Redcliff, Calgary-Mountain View, Calgary-Buffalo, Edmonton-Avonmore, Redwater-Andrew.

### Oil and Gas Exploration – Wainwright Military Base

MR. FISCHER: Thank you, Mr. Speaker. To the Minister of Energy, concerning the oil and gas exploration on the Wainwright military base, which is very important to us in the Wainwright constituency, regarding the seismic data. Could the minister advise the House on the status of the seismic data information?

DR. WEBBER: Yes, I can, Mr. Speaker. The provincial government began negotiations a number of months ago with the federal government, Department of National Defence, for access to the Wainwright military reserve for exploration and development purposes. The Department of National Defence indicated that they wanted to have one seismic operator work out there rather than a variety of operators. So the Department of Energy contracted three geophysical consultants to oversee a tendering process. As a result of that process, 18 bids came in, and the seismic work was awarded to Ener-Tech geophysical services. They completed their work in the month of November. Sample sections of that data were available for viewing on November 27 in Calgary. There were 175 people in attendance to view that data from over 50 companies, and the reaction was generally very positive.

MR. FISCHER: Supplementary then. When will the companies be able to purchase this information? Is it open for all of the companies who wish to participate in it, and what will it cost them?

DR. WEBBER: Well, first of all, Mr. Speaker, a letter went out to the industry, dated November 16, to inform them of the process that would be followed with respect to the viewing on November 27, as well as the fact that anyone who wished to purchase the seismic data must enter into an undertaking to submit a request, accompanied by a deposit, by 4:30 this afternoon, December 9, in Calgary. The data will be sold at cost. The cost of the seismic work was approximately \$500,000 to \$600,000, and that data will be sold at cost as the government expended those funds as a result of the process we went through.

MR. FISCHER: A further supplementary. When will the land sales come up, and when can we expect drilling to begin on the base?

DR. WEBBER: Well, Mr. Speaker, one of the difficulties on the Wainwright military reserve, as the hon. member well knows, is that military activity takes place out there. There are certain times of the year when it would be difficult to have exploration and development crews at work: in the spring, possibly, with some 20,000 to 25,000 troops out there. Drilling would not be able to begin until after July 1, 1988, but there would be a land sale probably around the end of next April for the purpose -- well, all companies, anyone, can bid at that particular land sale. It will be handled in the usual process, and then drilling could begin after July 1, 1988.

### Laboratory Testing

MR. WRIGHT: My question is to the Minister of Community and Occupational Health. Mr. Speaker, at the beginning of this month the staff of the Provincial Laboratory of Public Health, the Edmonton branch, received notice that from February 15,

1988, onwards, no urine specimens would be accepted for analysis. There are some 21,000 such specimens annually, and the result of this is to drive the tests into the private laboratories. The expressed reason for this was to save \$100,000 in the budget of the laboratory, which of course was severely cut back.

My question to the minister is: since the costs at the private laboratories funded by medicare will be some quarter of a million dollars, will the minister undertake to the House to give the laboratory the wherewithal to continue those testings, to avoid this ludicrous situation of spending a quarter of a million dollars to avoid a cost of \$100,000?

MR. DINNING: I, too, would be concerned if that were the case. What I have directed our officials to do is to make sure that the liaison committee that exists -- that's between the provincial lab, under the University of Alberta, and our department -- meets to address the budget concerns of both the northern and southern Alberta labs to ensure that all steps are taken to prevent that from happening.

MR. WRIGHT: Well, I'm obliged, Mr. Speaker. But will the minister acknowledge that the steps taken earlier this year to screw down the budget of the provincial laboratory, which had the effect of driving these tests into the private laboratories, have been counterproductive?

MR. DINNING: No, Mr. Speaker, I wouldn't. I would suggest that the government's restraint program is something that is responsible, certainly fiscally responsible. Where those agencies are truly not able to operate under their existing budget, then we will listen and be responsive and be sensitive. Perhaps the hon. Minister of Hospitals and Medical Care might want to comment, but this is just one of many issues and items that the utilization committee, established by the hon. minister, shall be looking at.

MR. WRIGHT: Well, that's a good idea. If I can address my supplementary to the minister of hospitals and medicare, Mr. Speaker, and ask him: what sense does it make to pay some \$80 million of public money to the private laboratories to conduct these tests that are funded by medicare, when we have lavishly and expensively and beautifully equipped laboratories at the major hospitals in the province, which are not used for 16 hours a day, by having the tests conducted there around the clock?

MR. M. MOORE: Mr. Speaker, it makes a great deal of sense if you're in Milk River or McLennan or Hinton, and you're a medical doctor or a patient and you want a diagnosis rather quickly instead of waiting several weeks.

MR. WRIGHT: Well, there are hospitals close to those centres too, Mr. Speaker.

My final supplementary to the Minister of Community and Occupational Health: will he assure the House that the provincial laboratories of public health in Edmonton and Calgary will in fact continue in their role of 75 years as being public laboratories and not mere research adjuncts of the departments of medicine at the universities in those two cities?

MR. DINNING: Mr. Speaker, both of those laboratories continue to play a very essential role in the public health system of Alberta.

MR. CHUMIR: To the minister of hospitals and medicare. I've had the same type of situation raised by doctors with respect to the Foothills hospital in Calgary. These doctors agree that we could save a fortune if the government took over much of the laboratory testing. I'm wondering why the government doesn't do something about this sensible way of saving money, instead of cutting meaningful preventive health programs.

MR. M. MOORE: Mr. Speaker, first of all, the government does fund a very extensive network of laboratory facilities in the active treatment hospital system throughout the province. It is inappropriate to suggest that all of the work the private labs that operate in this province are doing should be taken over by the provincial labs in Edmonton or Calgary. As I said earlier, if you're in many other locations in this province, looking for a medical examination and wanting to find out what's wrong with the patient, as a medical doctor you don't want to wait on the bureaucracy that might exist in the provincial lab. Now, I know the Liberals and the NDP would like to close all the rural hospitals, but starting in by closing the labs isn't going to help.

MR. SPEAKER: Member for Calgary-Buffalo main question, followed by Drumheller.

#### **Water Management** (continued)

MR. CHUMIR: Thank you, Mr. Speaker. We're all aware that there is a judgment quashing the licences with respect to the Oldman River dam. I'd be pleased to provide the minister with a copy if he doesn't have one. If anything, the judgment confirms the point that I made in question period on Friday to the effect that the Department of the Environment can't properly act as an environmental watchdog at the same time as it's responsible for building dams. It has an impossible conflict of interest as applicant evaluator and grantor of licences. I'm wondering whether the minister could advise this House, in light of the problems in this regard made clear by the court judgment, whether the minister will reconsider his position and transfer responsibility for water development projects out of Alberta Environment, as recommended by the Environment Council of Alberta in 1986?

MR. KOWALSKI: Mr. Speaker, there are three important aspects to the environment: one is air, one is land, and the other is water. I think it's just very, very important that we do everything possible to protect and preserve our water, and I believe as the Minister of the Environment that the Minister of the Environment has a very key responsibility with respect to this preservation of this very important and rare resource. I'm very happy to continue having the responsibility of being responsible for water management and conservation in Alberta.

MR. CHUMIR: That's why we don't read the minister's speeches, or go to them. The minister has had an opportunity to review his department's procedures, and I'm wondering whether he could tell us how he expects his department to be able to play a proper watchdog role at the same time as it wears the dual hat of promoter and builder of dams. How can those two work together compatibly?

MR. KOWALSKI: Mr. Speaker, as has already been indicated on at least several occasions in the question period, the matter

with respect to the judgment brought forward today by the Honourable Chief Justice Moore is one that will be appealed by the government. That matter will take its proper course before the judicial system.

On the point of licences I should point out that since the policy of decentralization of decision-making with respect to interim water licences occurred in 1982, there have been some 670 interim water licences provided each and every year, Mr. Speaker, and to my knowledge the system works quite well in terms of providing an opportunity for all Albertans to participate. I would point out as well that the reason the decision was made in 1982 to basically delegate the responsibility from the minister to an administrative officer within the system, came about as a result of petitions from a number of Albertans who said that as long as the Minister of the Environment was the one who issued the interim water licence, the Minister of the Environment would always be susceptible to political pressures. So to ensure that there would be no politicizing of the provision of interim water licences in our province, it was best that an administrative officer within the department had that responsibility. So it's kind of interesting that after having followed that process to make sure there has been no politicizing of water licences, now the suggestion is being made by the opposition today that in fact it should be the minister who should make each and every decision with respect to the issuance of a licence.

MR. CHUMIR: A very creative interpretation of my question, Mr. Speaker. The minister referred to 670 water licences having been granted, and I'm wondering whether he has undertaken a review of all of these licences to ensure that the expediency, haste, and enthusiasm of advancing these projects did not override the procedural protections of the legislation, as the court has said it did with respect to the Oldman River dam?

MR. KOWALSKI: Mr. Speaker, it's my understanding that the original submission with respect to the interim licence was made to the controller of water resources in 1985, and a decision was made nearly two years after the fact. But I want to reiterate that there is nothing inherent in the statement I've just made that questions the decision of the chief justice. There is a process of law that will be followed by the government of Alberta, and that will include appealing the decision brought forward by the justice today.

MR. CHUMIR: The minister in his comments has pointed out that there was a tremendously long time during which an environmental impact assessment could have been carried out. I'm wondering whether we can now expect for the first time such a full assessment, since construction appears likely to be halted for some time in any event.

MR. KOWALSKI: Earlier in the question period on another day, not today, I did make comments with respect to the definition of the words "environmental impact assessment." I've also pointed out what the national definition has been, and when national leaders, environment leaders, across the country responded to a set phraseology with respect to what does an environmental impact assessment mean. And it's been in Alberta since 1986 that we've followed our well-defined public policy.

Environmental impact assessments have been occurring in the southern part of the province of Alberta with respect to the need to manage water ever since that very famous surveyor, Pal-



liser, said that southern Alberta was a desert and would remain a desert unless we learned how to manage our water.

MR. MARTIN: Mr. Speaker, to follow up to the Premier. In this Department of the Environment in the last few months there have been two major administrative blunders. The toxic gas cloud: we couldn't lay charges there in Calgary; and now this in the courts -- administrative matters. What will it take to remove this minister from that portfolio, Mr. Speaker?

MR. GETTY: Mr. Speaker, I take great pleasure in having an opportunity to say publicly that I have tremendous confidence in the Minister of the Environment.

MR. SPEAKER: Cypress-Redcliff on a supplementary, very succinctly, please; then the Chair recognizes Drumheller.

MR. HYLAND: A supplementary question to the minister. The opinion has been left that there weren't any public hearings in the development of the plan to construct a dam on the Oldman River. I wonder if the minister can briefly outline the public hearings that took place before that action occurred.

MR. KOWALSKI: Mr. Speaker, it is indeed unfortunate that certain members of the House continue to leave impressions that in fact there is no dam under construction, as an example. Construction has been ongoing on the Oldman River damsite since the early part of 1986. Between 1978 and 1984 discussion with respect to water management, on-stream/off-stream storage, was a major item of review and debate in our province of Alberta. Countless numbers of meetings, public hearings initiated under and paid for by the government through the Environment Council of Alberta, were held in numerous communities throughout the province of Alberta with respect to this matter.

Mr. Speaker, I daresay there are very few citizens anywhere who were not aware by 1984, when the Premier of the day announced that a dam would be constructed on the Oldman River, of the debate, the interest. Now, I know there have been some people elected in 1986 who are now trying to disguise the issue and provide some fog with respect to this matter, Mr. Speaker, but it simply isn't true.

MR. SPEAKER: The Chair recognizes the Member for Drumheller.

### Seat Belt Legislation

MR. SCHUMACHER: Thank you, Mr. Speaker. My question is for the Minister of Transportation and Utilities. Since the introduction of seat belt legislation in July of this year, usage has averaged about 80 percent, which is the highest of any province in Canada. Can the minister tell us what he has planned to maintain this high compliance with the seat belt legislation?

MR. SPEAKER: The time for question period has expired, hon. minister. May we have unanimous consent of the House to continue this set of questions?

HON. MEMBERS: Agreed,

MR. SPEAKER: Opposed? Carried. The Minister of Transportation and Utilities.

MR. ADAIR: Mr. Speaker, the seat belt legislation has seen usage in the province of Alberta reach a high of 85 percent on the average, with the city of Calgary actually having the highest record of about 88 percent. What has occurred? We are working on the information and the benefit of being one of the last provinces in Canada to have seat belt legislation, and as a result of what has occurred in other provinces in the past, in the period about six months to one year after the legislation comes in, there is a bit of a drop in the usage. What we intend to do -- we now have under way, as a matter of fact; it started some days ago -- is a program that would involve one week where we tell everybody we're going to be in a specific area and that we will be checking you, and then for the next two weeks we'll check you. And they are defined.

As a matter of fact, they started in the Barrhead/Westlock area on November 23. They will cover Drumheller, Vegreville, Fort Macleod, Peace River and Grande Prairie, Rocky Mountain House, Vermilion, Grande Cache, and Pincher Creek, and that will be followed, sometime after the rural areas, with the same kind of program in the metropolitan centres and the urban cities. I would suggest it's a courtesy program where we'll identify for you that we're going to be in the area, through the RCMP, and you can do like my radio station: you can buckle up with Boomer or pay up.

MR. SCHUMACHER: Mr. Speaker, a supplementary question. I'd like the minister to confirm that it isn't just the rural areas that are going to be subject to these blitzes. I was just wondering also whether this is going to be a one-time blitz or whether it will become a regular occurrence in our province.

MR. ADAIR: Mr. Speaker, if I were to suggest that it was a one-time effort, I'm sure that after that effort had been completed, people may not wear their seat belts, so I won't answer the question in that sense. It's not necessarily a one-time effort; it may be on an annual basis. Only time, dollars, and the use of buckling up your seat belt will determine that. But initially, as I said a little earlier, it is a program that is starting in the rural areas right now and will be followed by the same type of program in the urban centres after.

MR. SCHUMACHER: Final supplementary, Mr. Speaker. The need for preschoolers to be transported in approved child restraints deters many parents from providing transportation for kindergarten or play school functions. Considering that it has now been in place for over five months, will the minister review the legislation at this time to give further consideration to additional exemptions?

MR. ADAIR: Mr. Speaker, I did give that commitment at the time the legislation was introduced and passed that sometime after six months we would be reviewing it to see if there were some weak points in the legislation. That particular concern has been raised a number of times with us, and we'll be looking at that in the ensuing months.

DR. BUCK: Mr. Speaker, since the legislation was enacted, has the minister had an opportunity to find out in a review of the fatalities that have occurred in the province in motor vehicle accidents, if in fact seat belts were worn in those instances?

MR. ADAIR: I haven't got the detailed information, Mr. Speaker, but we're attempting to pull some of that together after

the six-month period. That's what I had requested it for, so we could have that kind of information to base some of the changes, if changes are to be made, on that. I'm convinced, as a user of seat belts, that we'll be able to determine that there has been a savings of dollars in medical situations. The exact amount I can't say. The only one we've had some difficulty with, if I may, Mr. Speaker, is the fact that we've had smoke on the highways in the last while because of this different type of fall and early winter we've had, and there have been a number of accidents that have occurred. In some cases seat belts were not worn, and that has caused some serious injuries to those who were involved, unfortunately.

MR. TAYLOR: Mr. Speaker, supplementary to the minister. Since as you may have noted, Westlock-Sturgeon has been picked out as one of the first areas he wanted to check out for seat belts to see whether there were proper safety standards along that line, would he agree now to upgrade 794 so it's at least safe to drive on?

MR. SPEAKER: I don't think that's seat belt [inaudible] Member for Athabasca-Lac La Biche, on a supplementary.

MR. PIQUETTE: To the minister of transportation. I'm glad that Athabasca-Lac La Biche is not part of that enforcement. Will the minister be advising his police department to basically warn rather than fine people on their first offence, or will there be an automatic fine in every situation?

MR. ADAIR: Well, I really appreciate the opportunity to comment on that particular question. July 1, 1987, was the date where the warning became a fact. I suggested at that particular time that the police, through the Solicitor General and the police forces that are under his jurisdiction, would have the right then to apply the fine as we had passed in this Legislature. Inasmuch as we're now five and a half months into it, if we go into a program where we suggest to you that we may stop you and suggest to you that next week we're going to be checking you, if that isn't sufficient warning, maybe I should up the fine.

#### head: **MOTIONS OTHER THAN GOVERNMENT MOTIONS**

MR. SPEAKER: A request with regard to Standing Order 40, Member for Edmonton-Avonmore.

MS LAING: Mr. Speaker, I rise to seek unanimous consent of the Assembly under Standing Order 40 to waive the normal notice requirement for the motion that I distributed earlier. The motion states:

Be it resolved that the Legislative Assembly congratulate, thank, and extend its best wishes to Mr. Ronald Reagan, President of the United States, and Mr. Mikhail Gorbachev, Member of the Praesidium of the Supreme Soviet of the Union of Soviet Socialist Republics and General Secretary of the Central Committee of the Communist Party of the Soviet Union, on the event of their signing the Intermediate Nuclear Force treaty at Washington, District of Columbia, United States of America; and,

Be it further resolved that the Speaker convey this resolution to Messrs. Reagan and Gorbachev.

As I am allowed to address the urgency of this matter, I would simply say that good news is all too rare in this world and that its arrival, especially at this season of peace and goodwill, is urgently to be heralded.

MR. YOUNG: Mr. Speaker, on a point of order, if I may, for clarification. It has been the custom in the Assembly on a motion of commendation or congratulations to move it and have it adopted under Notices of Motions. We're dealing with a different situation here, and I would ask, for the information of members who are shortly to be asked to render a decision, if there is unanimous agreement of all members that should the motion as proposed by the hon. Member for Edmonton-Avonmore proceed, will it be moved and proceed without debate? Is there unanimous agreement to that?

MR. SPEAKER: First, under Standing Order 40, is there unanimous consent of the House with regard to dealing with the motion? Those in favour, please say aye.

HON. MEMBERS: Aye.

MR. SPEAKER: Opposed, please say no. Unanimous consent is received. The mover of the motion has moved the motion.

HON. MEMBERS: Question.

MR. SPEAKER: Call for the question. All those in favour, please say aye.

HON. MEMBERS: Aye.

MR. SPEAKER: Opposed, if any, please say no. The motion is carried unanimously.

The Chair would point out that much as the Chair would love to go visit Washington or Moscow, the message will be conveyed in written form only.

### **ORDERS OF THE DAY**

#### head: **GOVERNMENT MOTIONS**

22. Moved by Mr. Young:

Be it resolved that when the Legislative Assembly adjourns to recess the Second Session of the 21st Legislature it shall stand adjourned until a time and date prior to the commencement of the Third Session of the Legislature as is determined by Mr. Speaker after consultation with the Lieutenant Governor in Council.

MR. SPEAKER: Call for the question with respect -- order please. Order Mr. Premier, Solicitor General, and a few others.

[Motion carried]

23. Moved by Mr. Young:

Be it resolved that the Hon. Greg Stevens be replaced as a member of the Special Standing Committee on Members' Services by Dr. Bob Elliott and as a member on the Standing Committee on Legislative Offices by Mr. Jack Ady and that the chairman of the Standing Committee on Legislative Offices be Mr. Fred Stewart and the deputy chairman be Mr. John Gogo.

[Motion carried]

24. Moved by Mr. Young:

Be it resolved that Mr. Halvar Jonson be appointed a mem-

ber of the Standing Committee on the Alberta Heritage Savings Trust Fund Act.

[Motion carried]

19. Moved by Mr. Horsman:

Be it resolved that the Legislative Assembly of Alberta support the government of Canada entering into a free trade agreement with the government of the United States of America.

MR. HORSMAN: Mr. Speaker. I'm pleased to move Motion 19 standing on the Order Paper in my name. It is indeed an honour and privilege to address the Alberta Legislature on the matter of this historic Canada/United States free trade agreement.

Canada and the United States -- North American allies and partners in the world's largest trading relationship -- have embarked upon an exciting agreement on free trade. Never before in the history of the world have two nations contemplated a trade arrangement of such economic magnitude. When you consider the \$170 billion in two-way trade and the additional billions of dollars in cross-border investment, when you consider strengthening and expanding what is already so strong, you realize that its significance is immense. Entering into these discussions was not a decision taken lightly or in haste by Canada or the United States of America. It was a decision made after careful consideration and thoughtful deliberation by leaders cognizant of the fact that the outcome of their negotiations could effectively shape the direction of world trade talks.

You know, Canada and the United States are not new to the discussion of free trade. Proposals have been considered on both sides of the border for more than a century, but since 1911 we have not reached the point where the matter is about to be fully debated by our duly-elected representatives and passed into legislation in both Ottawa and Washington. Furthermore, few people seem to remember that in the 1930s, realizing protectionism was major among the mistakes which had led to the Depression, the U.S. and Canada embarked upon a path to liberalize trade. We signed a bilateral agreement in 1935 that in fact laid the groundwork for the General Agreement on Tariffs and Trade. The Geneva-based GATT, General Agreement on Tariffs and Trade, subsequently became a vitally important international body which has liberalized and managed world trade for the past 40 years.

Canada and the United States are now about to engage in a free trade agreement that will serve as a beacon for the new round, the Uruguay round, of multilateral trade negotiations that began last year. Together we can again lead and be the best example for greater world trade liberalization rather than for more protectionism. The threat of economically crippling protectionism has been a significant reason for seeking this free trade agreement. Certainly the billions of dollars of trade between our countries are impressive and highlight the interdependence of our relations. We now have the merchandise trade surplus in favour of Canada, but that masks the growing uncertainty created by escalating protectionist practices, and every region of Canada, every province, has felt the sting of protectionism in recent months and years. Then why, if given the chance to do otherwise, would Canada leave its farmers, its manufacturers, its energy producers, its entrepreneurs, open to uncertainty? Why, if given the chance to do otherwise, would Canada not shield itself from damaging protectionist legislation like the proposed U.S. omnibus trade Bill?

Now, Canada seized an opportunity to negotiate this landmark deal. The timing was right, and such an opportunity might not have occurred again during this century. Neither the Prime Minister nor the provincial Premiers felt we could afford to wait. All felt we should try, and we've done it. It took almost two years to reach the draft element stage and another nine weeks of intensive negotiations to finalize the legal text. That final text will arrive in Alberta on Friday. Federal and provincial trade officials will meet in Ottawa this weekend and first ministers next week.

In Canada we will have concluded close to 140 meetings involving officials, ministers and/or first ministers. We have been very much a part of the whole process since November of 1985, due in no small measure to the efforts of our Premier Don Getty. In February of 1986 Premier Getty was asked to assume the chairmanship of the Premiers on the subject of the free trade discussions, and he carried out that responsibility for 18 months. He has ensured that the provinces have had and will continue to have a greater role in bilateral and multilateral trade matters than ever before in the history of Canada. Premier Getty has been a strong and convincing voice during these past two years, speaking in the best interests not only of Alberta and the west but all of Canada. He has a true and sincere sense of his Canadian identity, and he is committed to this free trade agreement and his belief that Canadians do have the ability and the confidence to compete and win in the world marketplace.

Our Premier's view is shared by the majority of his colleagues: the Premiers of British Columbia, Saskatchewan, Quebec and, most recently, Newfoundland and Nova Scotia, as well as the Prime Minister and the government of Canada. Now, these seven political leaders, representing Canada from shore to shore, did not approach free trade from a partisan viewpoint. They have based their conviction on careful consideration of what is economically best for Canadians. That, Mr. Speaker, is precisely how this issue of free trade should and must be approached.

Now, it is the responsibility of all 11 governments and of all political parties to look not at party doctrine but what is economically sound for Canada. Can we generate employment? Can we maintain our standard of living? Can we keep our industries moving and competitive? Can we attract investment? Can we expand and secure markets? Can we achieve all of these goals without free trade? Not likely. There are no viable alternatives, and the status quo quite frankly no longer exists.

Can we achieve all of these goals with free trade? Yes, for Canadians and for Albertans. No one can deny that Canada is a trading nation. We produce so much more than we can ever consume. With a population of under 26 million people, we lack the advantages of a large domestic market base. Other major industrialized nations have access to at least 100 million people either within their own borders or through membership in trading blocs. By concentrating our efforts to expand trade in the most logical, most accessible direction -- south -- we increase our market base to almost 300 million people. In so doing, through this free trade agreement, we stand the best chance of securing our economic future.

Now, studies by numerous industry associations and research organizations are highly supportive. The list of supporters is extensive and impressive. They are, amongst others, the Canadian Manufacturers' Association, the Business Council on National Issues, the Canadian Exporters' Association, the Canada West Foundation, the C.D. Howe Institute, the Canadian Federation of Independent Business, the Canadian Cattlemen's

Association, the Canadian auto parts manufacturing association, the United Grain Growers association, the Canadian Petroleum Association, the Independent Petroleum Association of Canada, the Pork Council of Canada, the Western Barley Growers Association, and many, many more, representing a broad spectrum of Canadians. As well, the Macdonald commission report was solidly in favour of securing free trade with the United States. This particular report bears special mention because it was the most extensive and comprehensive examination of the Canadian economy ever undertaken.

Among the more recent, much publicized studies is that of the Economic Council of Canada, which saw free trade as having widely dispersed, positive effects in all regions. Essentially, that report sees no big winners and no big losers; the country wins. The council prepared an analysis of the impact of free trade by 1995 as compared to where our economy would be without an agreement.

[Mr. Deputy Speaker in the Chair]

The Economic Council of Canada prepared this study before they knew the exact content of the free trade agreement. Although their analysis might not now be exact, it is still among the best available on the probable impact of free trade. Generally for Canada, they found that there would be greater expansion of the gross national product, a reduction in the consumer price index, and a lowered inflation rate. Productivity, real wage rates, and investment will go up, while deficits of all governments and unemployment will go down. As well, overall employment would increase, and Canada would see a net increase of 350,000 jobs.

In summing up indirect effects, the Economic Council says that a free trade arrangement will be very beneficial to Canada; increases in real wages and real disposable income plus a decreased inflation will all translate into increased consumer spending, further contributing to an expanding economy. The Economic Council suggests that Alberta would realize the greatest gains, with increases in our gross domestic product and employment growth. Indeed, Mr. Speaker, we are not aware of any substantive study which predicts a negative effect on the Alberta economy. Some, of course, are more optimistic than others.

Now, there are a number of elements within the agreement which have particular significance to Alberta and Albertans. I would like to take the next few minutes to elaborate, first, on investment, energy, and agriculture, mainstays of our economy.

Let me reinforce Alberta's support for the open investment aspect of the agreement. This province has been highly dependent on foreign investment. We have welcomed and encouraged the infusion of foreign capital to develop our industries. We are on record as opposing programs and policies which attempt to limit or restrict funding from outside sources. Where would Alberta be without foreign investment and confidence in Alberta? It's well known that for decades central Canadian financial powers ignored the potential of our oil and gas industry. Of necessity, Albertans sought and received backing from Americans. No one can deny the importance of that funding; it's been part of our energy scene for 40 years, Albertans are no less Albertans or Canadians because of that investment -- far from it. We are economically stronger and more diverse, and despite the difficulties faced by the energy sector in recent years, Albertans are better off by any standards than they were before that foreign investment arrived in our province.

Now, during the height, or depth, if you will, of the Liberal

era -- those bitter years under Pierre Trudeau -- two events occurred which shook the foundation of Alberta and subsequently had severe economic repercussions for most of Canada. The Foreign Investment Review Agency became the instrument of timid nationalism and virtually closed Canada's doors to much-needed foreign investment. But worse still was the ill-conceived national energy program, which devastated Alberta and again had negative economic effects on the rest of Canada. The government of the day in Ottawa wanted to control the management of Alberta's natural resources and to seize our energy revenues. Like other disasters, we here in Alberta still suffer from the aftershocks.

The free trade agreement would enshrine open investment between Canada and the United States. It would enshrine a more open, free energy market. It would prevent a reoccurrence of anything even resembling either the Foreign Investment Review Agency or the national energy program. More specifically with regard to energy, the agreement provides for open access to the U.S. market for our energy products and, more importantly, secures it. Let me assure hon. members that this is not a continental energy policy. This agreement provides an environment for the Canadian energy industries to secure and expand their access to the U.S. And I say "industries" because it is more than oil and natural gas; it includes hydroelectric capacity and industries as well.

Under that new policy our constitutional responsibility over natural resources has not been challenged. Alberta will continue to own, control, and manage these resources on behalf of all Albertans. Furthermore, we've received commitments from the United States to avoid energy import fees, surcharges, taxes, and quotas. These have been a real worry to Canadian energy companies, so they are encouraged to know that these will now be prohibited or controlled. Both Canadian sellers and U.S. buyers will operate in a market-driven atmosphere. The market and not the government will determine prices, and contracts, not government, will determine the length and the terms of deals. In keeping with our previous commitments on oil through the International Energy Agency, we have agreed to share our oil supplies on a percentage of contract basis during an emergency international shortage.

Alberta is confident that securing access to the vast U.S. market will result in the resurgence of investment in major energy projects. When that occurs, jobs will be created for energy companies and construction workers in Alberta and other parts of Canada. Small businesses and the services sectors will thrive, and steel workers and manufacturing firms in Ontario will benefit.

As well, there are areas of particular interest to those involved in our agricultural sector that will benefit from this free trade deal. For instance, Canada has obtained duty-free and secure access to the American market for agricultural and food products such as meat and livestock, grain and oil seeds, and potatoes. Alberta meat and livestock producers will be exempted from the U.S. meat import law and quotas, assuring access to our largest potential market for cattle and beef, swine and pork. And we can expect dramatic increases in exports -- good news for Alberta ranchers.

Contrary to some reports and allegations, the agreement will not affect the dairy and poultry industries. Both have been protected in the agreement. And supply-managed industries have been maintained and protected.

Mr. Speaker, as I mentioned, these three elements of the agreement are of paramount importance to Albertans. Other

sectors within this complex agreement will also have an impact on our economy. For instance, the United States will be eliminating all tariffs on petrochemical products, giving us much greater access to that huge market. This is especially important in Medicine Hat, my home constituency, where we produce a great deal of methanol, a product which has been facing a staggering 18 percent tariff going into the U.S. The lifting of these kinds of tariffs will be a real boost to the petrochemical industry located in Medicine Hat, Red Deer, Redwater, and Edmonton.

Albertans will have far greater opportunities to build on our strengths. Diversification does not mean building automobile plants in Alberta. It is value adding to our natural resource and agricultural sectors, and this agreement provides us with an excellent opportunity to do just that. Creative and innovative entrepreneurs will thrive in such an atmosphere.

The agreement embodies trade and services -- again, important to a province that has developed unique technology and will now have the potential to compete without many of the former restraints. This agreement will contain separate and specific undertakings covering architects, enhanced telecommunications and computer services. Professional standards and accreditation rules will be developed. Cross-border business travel restrictions will be eased. Equipment manufacturers and designers, for example, will be able to send their top personnel to supervise construction or assembly, and technicians will be able to service and maintain that equipment.

Canadians will have our social programs protected. Don't let anyone even suggest that medicare and unemployment insurance have been bargained away. They haven't. They were never on the table. Canada has retained its right to support its cultural industries. Publishing, filmmaking, recording, and television and radio broadcasting, including the CBC, are exempt and not subject to the agreement. They are protected.

A central element of the agreement, significant unto itself, is the removal of tariffs. Some will be removed immediately and others over a five- or 10-year period. Now, tariff removal will force some Canadian industries to become more efficient and to compete without that umbrella of protectionism. But tariff elimination will be especially important to consumers, who for years have borne higher costs and fewer choices in goods. Tariffs, after all, are simply taxes built into the prices we pay for products. We pay these taxes for years without much thought, and as they disappear we will realize the benefits of removing tariffs. Combined with higher real wages and lower inflation, our purchasing power will increase. A greater variety of products will be available at less cost, and those items that seem unobtainable now will be affordable. Because when we come right down to it, Mr. Speaker, the free trade issue is a consumer issue. It will affect all of us directly. It will affect our future generations even more. We stand to benefit from the agreement, and surely we will suffer without it.

As Canadians, we should be proud of the achievement of this free trade agreement. It is envied by nations around the world, and various of the elements exist in other agreements, but none encompasses the range and scope that we have negotiated. The disputes settlement mechanism sets this bilateral agreement apart, and it will serve as a deterrent to further protectionist measures and keep each nation in check, aware and sensitive to the impact of our trade actions. And that applies on both sides of the border, Mr. Speaker. No way should a free trade agreement or bilateral agreement on trade be regarded by either side as a licence to steal from the other country with respect to their

goods or to unfairly dump products from one country into the other. Of course, there are going to have to be trade remedy laws on both sides of the border, but through the dispute resolution mechanism we will have for the first time a system to make sure those trade laws are being fairly applied. That is extremely important, Mr. Speaker. Having gone through the process of the softwood lumber dispute, I can tell you that this is an incredibly important and effective trade resolution mechanism. If we'd had it in place when that softwood lumber dispute was under way, we would have seen a very different result to that event.

Mr. Speaker, in conclusion, I would like to unequivocally state that the free trade agreement with the United States will not alter those things which are uniquely Canadian. Nothing can change our history. No outside force can change our parliamentary system or the relationship between the provinces and the federal government within our federal system. Nothing in the agreement takes away our heritage or our multicultural fabric. Neither our sovereignty nor our identity nor our spirit has been challenged.

At the very least, the government of Alberta feels strengthened. We are true Canadians, proud to have declared our confidence in this nation and its people. We share the vision of Premier Getty, and we are genuine in our belief that this historic Canadian/United States free trade agreement will see the emergence of a more vital Canada, a Canada viewed as a world trade leader equal with our partner, unafraid to compete in the world, and prepared to continue our place amongst the nations of the world as one of the most dynamic and exciting countries in which to live and grow.

Thank you, Mr. Speaker.

MR. DEPUTY SPEAKER: Order please. Leader of the Official Opposition.

MR. MARTIN: Thank you, Mr. Speaker. To stand and speak about a hypothetical free trade deal would be one thing, but we now have a Mulroney trade deal that we can begin to look at, which is very different, if I may say so, from the hypothetical free trade deal the member was talking about in terms of all the studies. So let us not call it free trade. I can be for free trade. I think everybody in the world's for free trade when it comes to their exports. They have some difficulty when it comes to their imports. But I think we can all agree that as a trading nation, we should move away from protectionism towards free trade in the world.

Now, let us talk about the deal -- at least what we know of it. We still don't have the text of it, Mr. Speaker, but let us talk about the deal we know about. I would remind the hon. minister that not everybody in the Macdonald commission, that report he talked about -- there are many economists who say no, they don't believe in this deal. They were talking about an ideal free trade deal Mr. Wilkinson from Alberta has broke, as the minister should well know on that particular matter. But let's talk about so-called free trade with the United States.

It's interesting to hear politicians one time and then how they change with nothing changing in between. Now, here are some rather prominent federal Conservatives. It's when they were trying to get elected to be the leader of the Conservative party in 1983. They were asked to respond to a free trade deal with the United States. Let me quote, because it's interesting to hear what they say now.

First of all, Mr. Speaker, a person by the name of Mr. Joe Clark said in 1983:

Unrestrained free trade with the United States raises the possibility that thousands of jobs could be lost in such critical industries as textiles, furniture and footwear. Before we jump on the bandwagon of continentalism, we should strengthen our industrial structure so that we are more competitive.

Mr. Speaker, that's Joe Clark in 1983. Why has he changed in 1987?

Then Mr. David Crombie, who was also running, and this is what he said:

It's silly. Canada must improve relations and trade with the United States, of course. But our natural destiny is to become a global leader, not America's weak sister.

That was David Crombie in 1983, Mr. Speaker.

Then we have Michael Wilson, and this is what he said: Bilateral free trade with the United States is simplistic and naive. It would only serve to further diminish our ability to compete internationally.

That was Michael Wilson in 1983, Mr. Speaker. Why is he changing his tune in 1987?

Finally, Mr. Speaker, the Prime Minister, Brian Mulroney. Of course, we always believe Brian whenever he says anything, but this is what he said in 1983. I quote:

Canadians rejected free trade with the United States in 1911. They would do so again in 1983. Canada must increase its share of total world trade, which has dropped by 33 per cent in the past two decades.

Mr. Speaker, back in 1983 the Conservative Party federally told the truth. Why have they changed now? Because they're behind in the polls, and that's what they're willing to do.

But let's look at this Mulroney trade deal and go through it. First of all, I believe it is not a free trade deal but a massive sell-out of what this country is. And we go through all parts of it.

The minister alluded, if I may, to agriculture. Well, it's rather interesting, Mr. Speaker. We're giving up the two-price system for our grains: our wheat, barley, and oats. But one thing that was very interesting is that it says in there -- and this is from the preliminary transcript; at least today this is all I'm aware we have yet. It says:

Each Party has agreed to take into account the export interests of the other Party in the use of any export subsidy on agriculture goods exported to third countries, recognizing that such subsidies may have prejudicial effects on the export interests of the other party.

Now, we were told that if we get this deal, they'll treat us so nicely. The ink was hardly even dry on this agreement. I recognize that legally it doesn't come about till January 2, but what did they do to show good faith? They immediately went after our markets, Mr. Speaker, even after this agreement came in. Now I ask: is it not naive to think that just because they've signed this deal, somehow they're going to treat us with more respect? That's the type of respect we got after that particular deal.

I could go into the investment, that eventually in three years, Mr. Speaker, they could just come in and anything under \$150 million just buy up. There won't be much of Alberta, including farmland and everything else, without those jurisdictions. There's no country in the world that has that open a door to foreign investment -- no country in the world, Mr. Speaker, no sovereign country. I would remind you that there are only 500 companies in Canada that are worth more than \$150 million. So the country is open for sale; there's no doubt under this agreement.

Mr. Speaker, the minister says that everything's going to do well in energy. We basically have a free trade deal right now in energy, and it has to do with the American markets. And natu-

ral gas is a glut on the market. It doesn't matter whether we have a free trade deal or not; the reality is that's the market at this particular time. But what I can't believe is that this Conservative government would move us very clearly to a continental energy policy. Now, I've heard the Premier say it's not really a continental energy policy. I've never heard him explain what would make a continental energy policy if it isn't this. It says -- and I ask any member to tell me that this is not a continental energy policy -- and again I quote:

There is broad agreement to assure . . .

[interjection] You should read it, hon. member. I know you'd have trouble.

. . . the freest possible bilateral trade in energy, including non-discriminatory access for the United States to Canadian energy supplies and secure market access for Canadian energy exports to the United States.

Mr. Speaker, it says:

Both sides have agreed to prohibit restrictions on imports or exports, including quantitative restrictions, taxes, minimum import or export price requirements or any other equivalent measure, subject to very limited exceptions.

Mr. Speaker, one, if we start to run out, then we have to share our shortages with them. That makes a lot of sense. And then something about a critical event like an armed conflict or a nuclear war.

Clearly, Mr. Speaker, we have a continental energy policy, and that is not good for Canada. It makes absolutely no sense for Canada in the long run. Of course it makes sense for the Americans; that's what they've wanted for a long time. Then for this government to stand opposite and tell us that it does not affect provincial ownership of our resources -- what absolute nonsense. Finally even the federal government had to admit that it did, because they are now going to be in the marketplace. Where do they think the marketplace is? It's in the United States. They're going to be determining our prices.

If they would read what the federal Tories are saying about this -- and this is from one of their briefing papers. It has specific questions relating to energy. This was sent and released, Mr. Speaker. It sort of fell in somebody's pockets by mistake, I'm sure. It's a question and answer. It says:

Can provinces continue to price their energy resources differentially intra-provincially vs. extra-provincially (including exports)?

A very important question, Mr. Speaker. The official answer, they say, to this is:

It is our expectation that the Provinces will not take actions incompatible with the spirit and intent of the Free Trade Agreement.

"It is our expectation," Mr. Speaker. Then they go on to say:

The fact is that provincial compliance with the price discrimination clause will not be written into the agreement. However, the provinces are apparently bound by the constitution -- Section 92A -- not to price discriminate as between intra- and inter-provincial sales.

Mr. Speaker, clearly that falls into provincial rights, and the federal Tories know it. These people put their heads in the sand and refuse to acknowledge it. And then the last sentence says:

The question of provincial compliance with the agreement is a very sensitive issue which the Prime Minister wants to deal with himself.

In other words, he knows that he's hosed the provincial government, especially this one, and he knows it's sensitive and he doesn't want it to get out. Mr. Speaker, we have given up something that we've fought for from the fanners' government and Mr. Lougheed. Even Mr. Lougheed acknowledged that we'd given up something in provincial control of our resources,

and I frankly find that offensive.

Now, Mr. Speaker, let's go into the arguments. There are mainly, as I can see it, sort of two valid arguments that the so-called free traders -- the so-called -- give u s . [interjections] And the backbenchers over there are pounding. They won't pound after this, Mr. Speaker.

The one major argument -- and it was used again by the minister -- is that somehow we need secure access to American markets, and I'll come to that. And that's a valid argument; I can understand from an economic sense talking about that. The other valid argument, if it was true, was that we'd have much lower prices for consumers. Well, Mr. Speaker, let's take a look at this. First of all, the secure access to American markets. Do you remember that they said the bottom line was that we would have to have a binding disputes mechanism? That's the bottom line, and if we had that, we wouldn't face the protectionist measures that have been occurring, whether it be in softwood, in FERC in natural gas, in hogs, in potash, or whatever. We would have a binding disputes mechanism that would forever stop this harassment of our industries.

Well, do we have a binding disputes mechanism? The minister would indicate to you that he believes we do. Well then, Mr. Speaker, I want to sell him some insurance if he believes that, because I've got a good deal for him. What happens is that we have a binational panel process. Now, let me quote from this, because I think it's very important.

A new binational panel would replace judicial review in both the U.S. and Canada.

"At either party's request," and I quote:

this panel would review, based upon the administrative record, final . . . orders to determine if an investigating authority of either Party made a decision not in accordance with its law . . .

Not in accordance with its law, Mr. Speaker. And then it goes on:

. . . (including statutes, legislative history, regulations, administrative practice, and judicial precedent). In such review, the binational panel would apply the appropriate standard of judiciary review applicable under the domestic law of the Party whose final . . . order was challenged.

Now, Mr. Speaker, what it means is that this binational panel can only rule if the country were following their own laws. Are these people here so naive that they think the Americans were breaking their own laws when they brought in these things? Of course they're not. And so everything they've done up to this point they could continue to do, whether it be the FERC decision on natural gas which we've talked about in this Assembly, whether it be softwood. Every one of the measures that they brought in to us they could do as long as they are following their own law. You call that a binding disputes mechanism? That's absolute nonsense.

Now, Mr. Speaker, it's bad enough. But even if this binational panel ruled that they weren't following their laws, all the Americans have to do is change their laws and it's okay. And that's what they would do. So what did we get? The bottom line we said we would have is a binding disputes mechanism. We got absolutely nothing, and we gave up a lot to get nothing. Even the Premier admitted that the FERC decision still stands, and that was supposed to be a bottom line. He wouldn't agree to it back in the spring. The Premier said he wouldn't agree to it if we didn't get that decision reversed. He wouldn't accept it. Now we find "Aw, it's okay" because Brian told him it's okay, Mr. Speaker.

[Mr. Speaker in the Chair]

There's another aspect of it from an economic sense. Let us look at the American nation, where it is today. In six years the United States of America has gone from a credit nation to the biggest debtor nation in the world -- the biggest debtor nation in the world. Now, it seems to us that we have some choices here. First of all, what happens if we lock ourselves in, remove the 49th parallel economically and lock ourselves into sort of -- if I can put it this way -- fortress North America? What does that mean? Well, first of all, let's look at where the United States is: the biggest debtor nation in the world, and they've had trade deficits that are horrendous from their perspective in the last number of years. There's no doubt that the United States has to do a couple of things, Mr. Speaker. It has to lower exchange rates, and that's what's happening. But clearly, they have to increase their exports and decrease their imports. There's no doubt about that, and that's why you have that wave of protectionism in the United States right now. They have absolutely no choice about that.

Mr. Speaker, we have a choice though. What I'm saying to you: without a binding disputes mechanism, that we don't have at this particular time, they are going to continue to do this whether we have a so-called free trade deal with them or not, because they absolutely have no choice in that matter. Well, how does that affect us? They have the right to continue the harassment with protectionist measures, as I've already pointed out. They're going to do so because they have no choice. How does that help us, Mr. Speaker? Let me give you an example. What's going to happen to our trade in the rest of the world? Let me use an example, if I can. This government has talked about it, and the minister of economic development has been over there and I think made the case that we should increase our trade with the Pacific Rim -- it makes sense -- or any place we can increase our trade, whether it be in Europe or wherever.

But the reality is, all of a sudden when we remove the tariffs to allow American goods to come into Canada -- let me use the example of television sets; all of a sudden American television sets are cheaper in Canada. It's going to be hard for the Japanese -- harder, at least -- to penetrate our market. They're probably going to sell less. Then what bargaining chips do we have with them? What are we going to sell them? They're saying, "No, no, you're acting in a favoured position to the United States; forget about it." And that's going to happen all around the world. So what we've done -- as I suggest, we have the worst of all worlds. We've locked ourselves into fortress North America, Mr. Speaker, where the Americans have to continue protectionist measures, and we're cutting ourselves away from markets in the rest of the world, I say that makes no sense at all.

Mr. Speaker, the other argument is the consumer prices. Now, let me say that there are many myths prevalent here, mainly spread by Conservative politicians, mainly at the federal level. The idea that, boy, if we have the Mulroney trade deal, we're all going to be rich; we're all going to make more money; the streets will be lined with gold and all the consumer goods will be cheaper -- Mr. Speaker, this is mainly nonsense, but it's spread by Conservative politicians to try to put the best light on it.

Now, let me go through some questions and answers of studies that have been done on consumer impact. First of all, let me say that there will be, to be fair, a minor advantage on consumer prices -- but very minor -- and I'll come to that. [interjections] First of all, the question -- and I'll go through it and quote the studies, but probably the hon. member over there couldn't read

them anyhow. Mr. Speaker, how much will consumers gain under the trade deal?

It has been claimed that under the Canada-U.S. trade deal, Canadian consumers will save hundreds of dollars every year on such products as appliances, furniture, automobiles, alcohol, and tobacco.

As I said, such claims are vastly exaggerated. Calculations based on studies done indicate that Canadians -- hang onto your hats; this is how much you'll get -- will gain

an additional \$20 in savings each year during the 10-year phasing out of tariffs.

Twenty dollars per year, Mr. Speaker.

These gains would amount to only one-tenth of one percent of per capita personal income. Many consumers may not notice such gains amid ongoing price increases.

It then asks some other questions. Won't American cars be a lot cheaper for Canadians?

It has been suggested that price differences between U.S. and Canadian cars are due to current tariffs, and that the trade deal will make cheaper cars available to Canadians. In reality, under the Auto Pact, automobile trade between the two countries has been virtually tariff-free for over 20 years.

Car prices in the U.S. appear lower because of the difference in the dollar exchange rate, as well as higher Canadian sales and excise taxes. At the current exchange rate, Canadian production costs are about 10 percent below those in the United States.

Once the exchange rate, higher U.S. production costs and Canada's 12 percent manufacturers' sales tax are taken into account, buying a car in the United States will be no cheaper for Canadians than buying in Canada.

In fact, there are examples of some Americans coming up to Canada to purchase their cars.

Now, the other one, Mr. Speaker: won't Canadians save on other major purchases?

It has been claimed ...

and I've heard this figure a lot from federal politicians

... that a Canadian purchasing a new house, six new major appliances and a complete set of furniture for the new house could save several thousand dollars as a benefit of the proposed trade deal.

Mr. Andre said \$8,000 in a speech.

Such figures [are very] misleading. Very few people are in a position to make such a set of purchases. For anyone able to do so, it would likely be a once-only event [in one's life.] In any case, when the potential savings are spread over the expected lifetime of such items, the consumer gain once again amounts to incremental savings at a rate of about \$20 a year.

I could go on, Mr. Speaker. What about goods from other countries? Will they be cheaper? No, they won't. The other thing: the exchange rate is not affected. So what I'm suggesting is that it's been vastly exaggerated, how much we will save in terms of buying consumer goods.

Finally, Mr. Speaker, if you may have noticed, even the consumers' group, the Consumers' Association of Canada, who were pro the free trade agreement, are now starting to back off a little bit. They say that they will now give the deal only limited support and expect consumers to weigh those benefits against their social and political concerns. In other words, they're coming to their senses and realizing it wasn't the deal that they thought it was either.

Now, Mr. Speaker, we are asked by Brian Mulroney, whom everybody trusts in the country, and he's saying about this deal, "Trust me." And he's saying basically, as I understand him, and I heard it a while before: "Jobs, jobs, jobs." That's what he's saying again, and if I may say so, and I say this to this Legislature, through the Legislature of the Conservative Party to their

buddy: "Forgive me, Brian, if I don't." I want to say that the only one left that really believes Brian Mulroney seems to be sitting opposite over here. They're the only ones buying the rhetoric any more. The only one left in Canada who believes that Brian Mulroney is telling the truth with the so-called free trade deal is sitting here in the Legislature. I say to this government, as Joe Ruckelshaus once said: "The best way to win an argument is to begin by being right," and that's where they might learn: begin by being right.

Now, Mr. Speaker, this one thing I would agree with the minister. It's very important; it's a major economic initiative. And we've come to this Legislature during question period to try to get some facts, to try to understand it, to try to get them to lay down some studies telling us where it is that they believe this is so good. They came out and said -- we get the rhetoric: "Oh, everybody else is negative. They question the deal. It's so good for Alberta. Albertans understand -- and yeah, yeah, yeah." The rhetoric. Name-calling: you're un-Albertan if you question this deal. That's not what people want to hear. They want a serious discussion, and we've tried to get facts from this government, and we get nothing, Mr. Speaker, but rhetoric, and the people are noticing that.

I want to say then, first of all, the study that the minister alluded to -- it's unbelievable that this government doesn't have their own studies to give to us, that they're so convinced that this Mulroney trade deal is so beneficial for Alberta. You would have thought the government would have tabled the studies gladly that we've asked for, but they've refused to do so time after time.

What do they give us, Mr. Speaker? They give us the Economic Council study that was done before the Mulroney trade deal, and that particular study had certain assumptions. One of those assumptions -- and the government quoted, oh, an \$800 wage increase and 40,000 new jobs: one of the assumptions, because there is no other free trade deal in the world, Mr. Speaker, where the service sector is included. And the minister knows full well that they were going on the assumption at the time that the service sector was not included. And they also know full well that because they took that assumption, they said that 83 to 90 percent of the new jobs created would be in the service sector, that would be protected from the free trade deal. That's where a majority of the jobs are going to come from.

Mr. Speaker, how you could trot out a study like that after, when the major assumption is incorrect -- it's just unbelievable. Spreading falsehoods, Mr. Speaker. Then we see the computers association saying that they could lose 150,000 jobs now because the service sector is included. I can't imagine the gall of any government to pass out a study like that, when one of the major assumptions is gone.

That was bad enough, but the other assumptions were, under that study, the Economic Council -- and I would remind you that even at that time there was a minority report where they said they were vastly exaggerating, even under that; there was a minority report of other people that didn't agree. But then, Mr. Speaker, they were going on the assumption that all tariffs would be off immediately -- not over a 10-year period -- and that all nontariff barriers would be removed. Now, even this government knows and they had to acknowledge that the FERC decision is there and everything else is staying there. So that was misleading again. It's shameful that a government would put that out.

And then they were also basing it on another assumption, that we would somehow have access to their defence contracts.



We don't have that either, Mr. Speaker. So that study wasn't worth the paper that they put out on it; they wasted the money. If they're going to argue the case, at least get studies that are relevant. You don't impress Albertans by doing that, and I'm ashamed, as an Albertan, that they would pass that off as being a legitimate study supporting the Mulroney trade deal when all the assumptions were incorrect.

Now, Mr. Speaker, we could go on -- the other thing we asked the other day. You know, I've talked about the provincial ownership of resources, about the government procurement. The Premier across the way says, "Oh no, don't worry about it. The minister's just wrong. There's no such thing as government procurement in there." Even if you read it to him, he either ignores it or he doesn't understand it, I'm not sure which, Mr. Speaker. Anyhow, we were not getting our fair share in the west -- and this has been brought up by a number of members in this House and in the House of Commons -- in terms of government contracts federally, Mr. Speaker. And most people know that this is very important. In fact, I quote from one of the papers, when the federal government announced the \$1.2 billion in the western diversification fund. A couple of statements in there are very important, Mr. Speaker. Number one -- and this is before they get into the \$1.2 billion, sort of building up to it in the papers -- it says, first of all:

The federal government also agrees, in principle, with the Premiers' suggestion that federal procurement can be a powerful tool of regional development in [the west].

None of us would argue with that. But it goes on a little later in this paper to say:

It is certainly true that government purchases can lift regional firms onto a whole new plateau of competitiveness in private markets.

Let me say that again, Mr. Speaker, so it sinks home.:

It is certainly true that government purchases can lift regional firms onto a whole new plateau of competitiveness in private markets.

So that money could help our private companies -- private enterprise that they all like to talk about, Mr. Speaker.

Then it says -- they were hedging their bets back then:

All governments will, however, wish to await the outcome of the current trade talks before embarking on new directions.

Oh, we will have "to await the outcome of the current trade talks before embarking on new directions." Well, no wonder, because under the Mulroney trade deal we now know what they were talking about, Mr. Speaker, and again, under government procurement, it says in here clearly:

The United States and Canada have agreed to eliminate buy-national restrictions on procurements of covered goods by Code-covered entities below the threshold of the Government Procurement Code.

Under the text of the Agreement the procedures used for these purchases will build on the open and competitive principles and procedures of the Code.

It goes on to say:

When the Agreement is implemented, the procurement obligations of the Code will be extended to cover procurements over an administrative threshold of U.S. \$25,000 in each country.

These procurements will be open to suppliers of Canadian and/or U.S. products on a nondiscriminatory basis.

So the Americans can come in and take any of the federal government contracts, and they can do it more efficiently. What chances are little businesses in Alberta going to have under that competition to get those federal dollars? Sold out again, Mr. Speaker. That's what it comes down to.

Now, Mr. Speaker, what is appalling about all this is that it is an important and economic initiative no matter where one stands

on it and something that shouldn't be rushed into. We don't even have the final draft yet. Can you imagine any other country in the world that's going to go into some sort of free trade deal? We don't have the final draft, and we have to make a decision because the Americans have asked us to by January 2. That's unbelievable, Mr. Speaker. "We may get it," the Premier says, "this week. But I'm for it anyhow. I don't need to read it; I'm for it." The House of Commons is going to get three or four days to debate it before they make that decision.

So the process is absolutely appalling, and it's especially appalling when you look at the polls. When you ask people about free trade, people like free and they like trade, and they're going to say, "Yes, yes, we're for it." [some applause] I could pound over that too, Mr. Speaker. But now they're looking at the Mulroney trade deal. What you see is 80 percent of the people saying, "I don't understand it; I'm confused." Well, no wonder. We don't have the final draft. It's not their fault. And so what we need is people to understand it. Every time before there would at least be a process of public hearings or something. But we have nothing. We're going to rush into this, and I say it has implications for our country for many, many years, Mr. Speaker, long-term implications of what this country is.

I just ask you: do we have the confidence and the aggressiveness to stand alone as a sovereign nation, or are we passively going to be a satellite or a branch plant of the United States, Mr. Speaker? Do we have the confidence to compete on the world market, or are we going to be forever a member of fortress North America? I say to you, besides the economics -- and that's what we've tried to stay on in question period -- that if this Mulroney deal goes through, 25 years from now this country of ours, known as Canada, will be a very, very different country from what it is now. There's absolutely no doubt. And I'll tell you what it will be like, Mr. Speaker. Because if Conservative politicians win this agreement and this is passed through, and somehow, which I doubt very much, they're re-elected, I can hear Bay Street -- and they're the ones behind it, Bay Street and big business. I can hear them saying -- they'll be talking about a level playing field, and they'll say, "But, you know, in Canada we can't compete because we have our social programs like medicare and our social safety net. How can we compete in the American market? We'll have to get rid of that." You wait and see. If they win that, that will be the next major battle, Mr. Speaker, because it is inevitable, and they'll deal with our culture and our social programs and all the rest of it.

Mr. Speaker, I think it's time that the Canadian people and Alberta people said no, that Canada is not for sale from a bunch of Conservative politicians, and said it quite eloquently.

I conclude by saying this, Mr. Speaker: if Conservative politicians, whether they live in Alberta, Newfoundland, or British Columbia, or wherever they live, now that they've changed their minds, as I pointed out -- they were lying in either 1983 or 1987, you pick your choice, Mr. Speaker -- but if they believe that this Mulroney deal is so good for Canada, then they should have the political courage to have a federal election on it. The minister talked about the past. At least the governments of the day had the political courage to have elections on it in 1911, Mr. Speaker. They had an election, and John A. Macdonald, who was a Conservative, would be turning over in his grave looking at this bunch now. They had the courage to have an election. Then we'll at least get some idea about it. We'll begin to dot the i's and cross the t's, and the Canadian people will have a better understanding of what's in this Mulroney trade deal. They'll defeat Conservatives and they'll defeat this par-

ticular deal. If they're not prepared to do that, Mr. Speaker, surely there's got to be a better process.

We've even asked for public debate with the Premier on television. I asked him. "Oh, no, no. We'll debate it in the Legislature." Well, Mr. Speaker, is this the end of the debate? Are we going to go a couple of days talking about a hypothetical free trade deal, getting no answers in the Legislature? I think all of us should be prepared to get on national television. If the federal Conservatives aren't prepared to bring in an election then all of us here, at least provincially, should agree to a public debate on this matter. It's too important to be hidden.

Mr. Speaker, I just say to you and to members of the Assembly, let's wake up and let's start looking at this deal for what it is, not what we would hypothetically like it to be. Let's get honest studies, and let's have that open debate. If it is so good, if this deal is so good, it will go through the test of time. Let's not hide behind Brian Mulroney and hide behind it and push it through. Canadians expect us -- most want a federal election on it. Certainly most of them say they don't understand it, and it's irresponsible of us to push something forward as important as this without that process.

Thank you, Mr. Speaker.

MR. SPEAKER: Westlock-Sturgeon, followed by the Minister of Economic Development and Trade.

MR. TAYLOR: Thank you, Mr. Speaker. In rising to speak on what is probably one of the more important issues that has come up to Canadians in the last 20 to 25 years, I first would deplore the fact that the government didn't have the courage to really come out here and ask this House to approve the free trade agreement that is now being negotiated. They have a rather wishy-washy, and -- if you'll pardon the expression of plagiarism -- a wimpish type of resolution that calls here for "entering into a free trade agreement with the government of the United States of America." Why "a" free trade agreement? Why not "the" free trade agreement? Somehow or other the doctrine of unanimity seems to have pervaded the government and the Premier to such an extent that in order to try to get approval for any motion they would put something -- after all the brave talk they've talked about -- that is so innocuous and so unclear and so broad as this type of motion on the Order Paper.

Certainly I would think that if you go to any Albertan and ask him about freer trade, he will feel very much as if -- well, if it's free and it's trading, certainly. Also, maybe we westerners have been raised that a free trade agreement or anything that will open up the border and the tariffs will increase the amount of income we have, will increase the standard of living, will increase what we receive for our products. To that extent I would think that the government, if it's not dishonest, if it's not misleading, is certainly being just a bit sneaky, Mr. Speaker, to try to slide through free trade under this type of motion.

However, in addressing the motion, the motion is broad in its concept. Certainly the debate on it can almost be as broad. Mr. Speaker, as you know, I'm always confined to the very narrow interpretation of a subject; you've always noticed that. So consequently, I'm going to enjoy this sudden freedom to cruise about like a mosquito in a nudist colony, as far as the government is concerned, and maybe sting a few of them there where they hadn't expected to be stung before.

Mr. Speaker, when we analyze any form of agreement such as this, I would like to split it down into maybe five major areas. There's the question of subsidies that we have asked the Premier

over and over again, and this is what the Liberal caucus has tried to emphasize over and over again. The agreement sounds okay in broad principle. Some of the broad ideas are there, but we want to get down to discussing the meat. As somebody said: "Where's the meat?" We get the Premier over here -- and of all people that talk about being centrally directed, our Premier, who gets up like Charlie McCarthy on Brian Mulroney's knee and says, "Whatever goes on in Ottawa ..." [interjection] I'm glad somebody else over there is as old as I am. But the fact is that as a puppet, he repeats everything said out of Ottawa. The only type of disagreement I've heard with the Ottawa alliance or with the Ottawa party has been by the Liberals, and sometimes the NDP -- sometimes.

[Mr. Musgreave in the Chair]

Let's look at subsidies. The second area is adjustment programs -- certainly adjustment programs are very important -- dispute settlement mechanism, the question of energy, the question of foreign investment. Now, Mr. Speaker, let's look first at subsidies. We have tried time and time again to get the Premier or the Attorney General or anyone who would deign to get up on that side of the House and define whether or not they have cleared certain subsidies or whether they have cleared the types of subsidies that the Americans will allow, or what this free trade agreement will allow. The Americans generally classify subsidies as bottom loading or top loading. Bottom loading means giving aid in such a way that the cost of a product is reduced. Top loading is just plain giving a cash grant to the producer of the product after it has been created.

Now, when we look at bottom loading and this is something that this government has indulged in, as a matter of fact, it's widely recognized that if you have something wrong with your health services or education or aids to the living or anything like that, you can't get money. But if you limp in like a poor old broken-down multinational and ask this government for a little bottom loading, a little guarantee and a little grant or something like that, they rush to the ramparts, or I should say they rush to their cheque-writing machine to dispatch a cheque as soon as possible.

Well, Mr. Speaker, that leaves the whole question of areas like our upgrader plan, which we're talking about guaranteeing loans for. Will the oil from that down the road, or it may be the byproducts -- not so much the oil but petrochemicals -- be considered not bottom loaded? How about our own petrochemical industry which we've occasionally designed in such a way that they can receive their feedstock a little cheaper than usual. As a matter of fact, the Alberta government over there can be quite guilty of trying to reserve the ethylene in every producers' natural gas just for a select few producing petrochemicals, rather than allow the small companies themselves to take out the ethylene. Will that be bottom loading: reserving just to a few large manufacturers of petrochemicals the right to take ethylene out? How about magnesium? We're taking magnesite out of B.C. or the mountains to turn into magnesium with a great deal of electricity in High River, with aids. Will that be cleared? We've got a thundering "no" from all this type, Mr. Speaker, and that is something that I think Albertans want to know about. We want to know whether those subsidies will be called bottom loading; whether they will pass the test of time.

Now, Mr. Speaker, there are other types of projects: the pulp and paper mill and other megaprojects. As a matter of fact, this government has shown that, really, their idea of governing is to

put in a megaproject with huge subsidies once every six months to the year and depend on the trickle-down theory that that will cause enough jobs down the road.

But I'll even touch on another area I've seen written up. Yet very little has been asked on it in this Legislature, except possibly the hon. Member for Edmonton-Centre touched on it the other day, in that: could not and would not the U.S. trade people feel that, due to the fact that our health care under our provincial system is much cheaper than their health care under the private system, the worker up here gets an unfair subsidy in his salary and that in fact we're using lower wages in order to try to undermine that? Will they insist that our health care scheme go to the same system that theirs is and be privatized to the extent that they have? That has to be a concern to a lot of Albertans; that our health scheme could in effect be forced into the same system as theirs. I've nothing against private versus public, but certainly there's a hell of a lot, Mr. Speaker, against Canada versus the U.S. medical system. Hardly anyone in their right mind would adopt the U.S. medical system for the Canadian one, unless you happened to have five degrees in some medical specialty in order to be able to charge the customers.

We move on to adjustment programs. Well, it seems to me, Mr. Speaker, that it is only common sense -- and we in the Liberal caucus are very concerned about this -- that there's going to be some winners in the bilateral trade agreement, but there's bound to be some losers. That makes common sense. I doubt whether they have been able to construct an agreement whereby everybody in Canada, regardless of what form of business they are in, is going to do better. And I don't expect them to. I don't think anybody in the public expects them to. But I think the public would feel a lot better if they knew that the job they held or the company that they were operating with had some method or other to put their case to the Alberta and federal governments and have some form of a diminishing age system, you might want to call it, over the next five to eight years whereby they could retrain if they are a worker or redirect their energies into another field if they are a corporation or manufacturer in whatever business. There should be some guarantee or some system set up -- and we should hasten to assure Albertans that we would be setting up that system -- to protect those that through no fault of their own were in some way or another jeopardized or hurt by the bilateral trade agreement.

The other part of the adjustment program, Mr. Speaker, that concerns us very much is the recent knowledge that I have acquired on the question of the transfer of employees. When one looks at that section of the free trade agreement, it becomes clear that the U.S. and Canada are relaxing their former restrictions against the transfer of employees. But when you read it carefully, what you find is that the U.S. government is relaxing the restriction for employees in management to go to the U.S., not all employees in the corporation; only those employees that were in management, that heretofore you had to apply for, and even then you only got the three-year permit. The U.S. is going to relax that. Fair and good; it sounds fine.

But then you read what the Canadian government is going to relax, that section of the Act and the Canadian government, where it was never based on management; it was an Act based on holding out anybody that would take a job from a Canadian. It didn't matter whether you were a janitor or a nuclear physicist. If somehow or another you were taking a job from a Canadian, you were not allowed into Canada. However, this is going to be relaxed. So you can see what happens is that al-

though they have opened up the border for us and our Canadian corporations to transfer Canadians in management to the U.S., we in turn have opened a border to transfer any form of labour to Canada. So consequently, some of the big labour booms that the Premier and some of the cabinet would suggest are going to take place up in Alberta may be diffused to a great extent by the fact that the U.S. can import in -- and they have a lot more cheap labour than we have -- in great droves to go ahead on a project. So that has to be much more clearly defined than it has been to date.

Take a small area like my own constituency. We have a great deal of dairy products out there and also food products, truck gardening -- some of the best soil in the world when we can stop Edmonton from marching over it and converting it to Safeway lots. As a matter of fact, I think the only definition the Minister of the Environment had of a wilderness up until he took over the post was a shopping lot without yellow stripes on it.

[Mr. Speaker in the Chair]

But to go on again to the fact that our constituency is very, very concerned about the exploitation of the dairy industry. Admittedly dairy products are protected, but there is a loophole. Dairy products substitutes apparently will be able to enter, and that has to be of some concern in my own particular constituency. Because the next time you put some cream in your coffee, Mr. Speaker, or any of the members opposite, they might look to see whether it says edible oil or whether it is a dairy product. Edible oils are made, unfortunately, from petrochemicals, not dairy products. Edible cheeses are made from petrochemicals and not dairy products. Edible whipped cream is made from petrochemicals, not dairy products. So they could flood in and create a great deal of harm in Canada, because in general, Canadians laws and regulations have restricted dairy markets to dairy produce.

Let's move on now to the dispute settlement mechanism that has to concern our side of the House and that we'd like to hear a lot more on. The dispute mechanism, Mr. Speaker, is supposed to protect us from being hit with countervailing measures which are actually directed at other trading nations such as Japan or some other area. I think that to that extent -- I find the dispute settlement mechanism very difficult and complex to follow, and we should have some more debate on that. But there is no question that although it does appear binding, there is apparently a process by which we're going to try to move the dispute settling mechanism over the next four or five years into a type of area where we would change the laws.

However, unfortunately in Canada, as versus the U.S., the Canadian government does not -- but maybe it's fortunate when we consider the type of Prime Minister we have at the controls now. The provinces in Canada have more rights vis-à-vis trade than the American government has. So consequently, there doesn't seem to be any setup, or we can't seem to get an answer from the Attorney General or the minister of trade on where they are aiming over the next five years to set up this dispute mechanism so that it indeed takes into recognition the rights of provincial governments when it comes to trade. In other words, are we going to end up with something like the Constitution -- seven out of 10 representing 50 percent -- or are we going to have a body that we have to have 100 percent approval of? Admittedly, as it stands now -- and our Prime Minister has reminded us that he can go ahead with the signing of the free trade

pact without the provinces. In other words, this grand and lovely atmosphere that started out a couple of years ago in Regina seems to be falling apart. But as time progresses it would appear that the dispute mechanism that they are hoping to develop will require provincial approval. We would like to hear much more on that area and see much more development, some more legal opinion as to what area we're going.

The next area I'd like to touch on, Mr. Speaker, is with respect to . . . As I mentioned, we had five areas that I wanted to touch on: subsidies, adjustment programs, dispute settlement mechanism, energy, and foreign investment. Now, energy and foreign investment are the two parts of this bilateral trade agreement that are unique, probably, to any free trade agreement that I've run across anywhere else in the world. For instance, the one between the U.S. and Israel or the one in the European Economic Community does not have these two sectors, although the European Economic Community does share the shortages when times get rough. That's as far as it goes; there's really not a common European energy policy. Certainly there is not one with Israel. In foreign investment that's another area entirely.

But I want to touch on the energy question because it's so important to Alberta. I'm greatly concerned -- and our caucus shares the concern -- that these are not necessarily in order, Mr. Speaker, as far as energy is concerned. But we have had a rule here. We had a 25-year reserve, a 20-year reserve, now down to a 15-year reserve, before we are allowed to export any oil and gas. Before you can get a permit to export oil and gas, you should have proof that there is at least 15 years' supply left here in Alberta. Well, my understanding and my reading of the free trade agreement is that that will no longer be valid, and I suppose there's logic to it. Why should Oklahoma be able to sit on all its walnuts and hoard them and refuse to sell them to keep the price up? Why should California be able to sit on its movie films and keep that up, and why should Quebec with its maple sugar and, I suppose, the same thing with Alberta? Why, if we have oil and gas -- in other words, the whole concept of free trade means that what you have is for sale. You can't just say that it isn't. So I am very, very concerned that oil and gas, which is much more important than walnuts or movie actors, can be exported, can be developed at an accelerated clip, and then we Albertans would be left with fighting with the rest of the world for the high-cost reserves that could be piped in from the Beaufort Sea. This is enlightenment that we'd like.

The question of royalties: the Alberta government puts a sliding scale royalty on. As a matter of fact, the Alberta government has preferential royalties to small companies, which I compliment them on. That was one of the few things that the Social Credit government did that they didn't try to undo. It was a good idea; they kept it. Hey, I want a little clapping from over here. In other words, they have a sliding scale royalty system that differentiates on size and so on. Now, is that legal? Is that correct? We must remember that the U.S. government slapped countervails against pulpwood and cedar shakes because the B.C. royalty system was considered to be a subsidy. But we blissfully march into this continental energy policy with no one checking that out at all.

We come to the whole question of . . . By the way, Mr. Speaker, while I'm on royalties, what most people don't realize is that on the U.S. books yet today there is -- what do they call it? -- an unfair profits tax or an increased profits tax, an unearned profits tax on oil after it goes over \$25 a barrel. In other words, the federal government -- Washington, if you may please, all you people who are so afraid over there of Ottawa --

has imposed a tax on every barrel of oil produced in the U.S. once it goes over a certain price, something that we would absolutely take up arms for. In other words, they have their own national energy policy down there. Did we buy that concept in the continental energy policy? Is the fact that once oil gets over \$25 and not going to be taxed by the federal government being considered an unfair advantage when it comes to the U.S.?

There again, a thundering silence. Mr. Speaker, it's a dialogue of the deaf when you try to get some questions in. It's as if you're talking to a child to ask him what mummy's cooking tonight. You might as well go down and see mummy. There's no use talking to the Premier over here, no use talking to the cabinet. Mummy is sitting in Ottawa, and mummy's not telling us what she's cooking.

MR. DAY: You're a mummy.

MR. TAYLOR: God's in His Heaven. She'll look after you there, Member for Red Deer-North.

We have in the energy agreement a "share shortages." Well, that concerns me. Now, I think any continental energy policy -- we should share our shortages, Mr. Speaker. In other words, that only makes sense. If we have a continental energy policy, a continental potato policy, a continental wheat policy, it always means the same: when times are rough and we run short of potatoes or energy or whatever it is, we share it. That's fine. But this agreement has another side to it. If we have a surplus, do the Americans have to buy our surplus? No, they don't. They can go buy the surplus from OPEC if they wish, or the least they can do is threaten to buy the surplus from OPEC in order to keep our surplus down. Well, surely if we were constructing a continental energy policy, we should have had the foresight to say: look, old pal, if we're going to keep you warm in the depths of the Denver winter when we have surpluses up here -- and we have some pretty good explorations; there's a lot of offshore reserves out there; there's a lot of reserves we haven't touched -- surely you have to buy our reserves before you can go buy the world's OPEC reserves. But no, not a point mentioned there at all, Mr. Speaker. It seems immanently unfair when it comes to that.

In fact, what I'm worried about with this whole continental energy policy is . . . If there's anything that can frighten our little -- I was going to say darlings -- members over there on the other bench, if there's any way you want to keep them awake at night, it's being able to say, "NEP, NEP" twice or three times. Sheer terror goes in; their eyes roll. So what do we have? And what is the NEP? Not anything more, Mr. Speaker, than the consumers of eastern Canada deciding that they were going to control the price and the quantity of the production of Alberta. And yet we make a deal, a continental energy deal, where the eastern U.S. consumer is going to join with the eastern Canadian consumer and we're going to end up with a continental energy policy. I submit that if they had nightmares with an NEP, wait till you see what'll happen with the CEP.

The continental energy policy is certainly what we're setting ourselves up for here, and a continental energy policy that in no way, shape, or form means that Alberta's going to suddenly rule. If we had trouble convincing Ottawa of the correctness of any of our actions back in those days, how much more trouble are we going to have to try to convince both Ottawa and Washington together, both dominated by the [inaudible]?

Lastly, Mr. Speaker, if I may speak out on the other area, is foreign investments. Well, I've tried to come home a couple of

times, as you know, in question period here about the fact that we should know more about the policy of our dollar. We can talk all we want about continental energy. We can talk all we want about a bilateral trade agreement, how much we'll sell to the U.S. But if our dollar moves up to one dollar American tomorrow, we've blown 50 to 75 percent of our market. I know it's not going to move tomorrow, but it could in a year or two. In other words, the movement of our dollar is almost more important than anything else in this whole agreement. Yet the Premier looks at me -- and I'm sure I'm too far away to see if his eyes are baby blue, Mr. Speaker -- with all innocence and says, "I don't know." We're entering one of the major agreements, and a major portion of that agreement would be who's controlling our dollar and how it'll move, and there is nothing -- nothing -- said about it at all. If that dollar were to jump 15, 20 percent tomorrow, which is still less than par, our beef would go down the drain, our pork would go down the drain, nearly all of our food markets penetrating the U.S. would be a nothing. We'd have nothing to argue about whatsoever. Yet we have no idea what that policy's going to be.

But maybe even worse still, Mr. Speaker, as far as the dollar is concerned, is that something kind of fishy has been going on here for the last while. This is with respect to our dollar. The German mark has moved up 30, 40 percent with respect to the American dollar. The yen has moved up. The guilder's moved up. Every currency's moved up with respect to the American dollar in the last while except ours. Is there some fiddling, is there some twiddling by Uncle Sam or his satellite Mulroney to keep the Canadian dollar down at its level now until a trade agreement's been signed? I'm very concerned about that, Mr. Speaker. Our dollar is behaving differently than any other currency vis-à-vis the American dollar. Consequently, I think we'd like to have some sort of concrete insurance that the Canadian dollar is not really being managed by the Americans now, through that new group of seven that Mr. Mulroney was so happy to join when he was invited to Venice a couple of years ago. In other words, who is running our dollar [inaudible]?

Now, Mr. Speaker, I think when we look over this agreement, we have much to learn,

MR. SPEAKER: Order please in the Chamber. Perhaps the murmurs could go down a bit. Thank you. Member for Westlock-Sturgeon.

MR. TAYLOR: How much time do I have anyway?

ANHON. MEMBER: Four minutes left.

MR. TAYLOR: Four minutes, eh? [interjections] Well, four minutes: I can flay every one of those people individually, Mr. Speaker. Four minutes gives me more than enough time to really ram the conclusions of my argument down, even with ears so thick and skulls so close together as they have, Mr. Speaker.

What I'd like to suggest to touch this up ...

MR. SPEAKER: I'm so glad that I calmed the House down so we could hear your words. [interjections]

MR. TAYLOR: Well, Mr. Speaker, I won't say what I've been scattering pearls before, but this is an agricultural community.

There are two parts of the agreement that bother us a great deal, the energy and foreign investment process, and I would like to think that possibly they could be separated out from the

bilateral trade agreement, that as we look into this whole area of a trade agreement, that probably has no place being in there, Mr. Speaker, I am concerned, too, that we are breaking with a Canadian tradition and going into bilateral agreements rather than multilateral agreements. There is no question that a free trade agreement, if it involved many more people and we did it sector by sector, would be much safer. This may be a first stage. We're not going to go out categorically and say that this is a lousy agreement, because we haven't seen the fine print. But we're getting more and more suspicious, and I suspect that our attitude is right, because I've noticed even that the NDP/Tory coalition that was put together here in the last day or so is starting to sound like us a little b i t . [interjections] They are saying they're interested in "a" free trade rather than "the" free trade agreement.

But more important, Mr. Speaker, is to give an opportunity for the people over there and the people on my left -- and I say "left" advisedly, far left in some cases -- that they have every opportunity to present ideas at public hearings over the next month. January and February are splendid months. The only people that can afford to be off in Hawaii at that time are Tory cabinet ministers. There's no reason why they can't be sitting here in January and February at all-party public hearings where Albertans debate every part of this agreement, where Albertans get answers to the studies that have been done in secret by this government and maybe be able to cross-examine and look at other witnesses. This is just too important. If I may paraphrase General MacArthur when Mr. Truman said that war was too important to be left for generals; I say that this trade agreement and the politics involved are just too important to be left to the front bench over there.

Thank you very much.

MR. SPEAKER: Minister of Economic Development and Trade, as previously recognized.

MR. SHABEN: Thank you, Mr. Speaker. This is an important time in the history of our province. I don't mean just today, but I mean this period in the 1980s where we're confronted with important decisions that we in this Assembly are involved in dealing with matters that are going to affect the future of the people of this province. I'm pleased to be able to be here and to make some comments on the motion before us. I don't think there is anyone, particularly in the Assembly, that has a faculty to look into the future with certainty as to what might happen. I haven't identified a Naisbitt or a Toffler -- perhaps a Martin or so -- but in order to really look into the future as to what the future holds for the people of Alberta.

We have over the past number of years, though, in developing policies to which the government adheres and to which we try to develop and communicate with the people of Alberta in order to improve the situation for the citizens of Alberta economically, socially, in terms of life-style, and so many ways -- one of the tools we use is a division in our department known as the Futures Compendium, and that group involves itself with leading citizens of Alberta in developing scenarios for the future in terms of what might be expected, examining what is happening around the world, and making recommendations to us with respect to appropriate policies that are consistent with opportunities that might present themselves to the people of Alberta.

Some of the scenarios clearly identified, and I'm sure members are aware, would see global trading blocks that are forming around the world. For example, the trading arrangement be-

tween Australia and New Zealand, the evolution of the Economic Community of Europe in terms of the trading arrangement, the ASEAN countries and the evolving trading arrangements that are occurring in Asia, the discussions, of course, between the United States and Mexico. And it comes to the discussions we're having today with respect to a trading agreement between Canada and the United States. That's not a process that has suddenly emerged upon us; it's a discussion that has been going on now informally and formally since 1984 but intensively for the past 18 months. The Attorney General described to some extent the process we've been involved in. It's an important part of the view that we have of the province's future and the opportunities that present themselves.

In looking at the scenarios, both trading between Canada and other parts of the world and bilateral trading arrangements, both are evolving, and both are important. That's why the government of Alberta has been active in terms of its involvement of providing advice and consultation with the federal government on the GATT round in terms of our trading opportunities with other countries. So those who would suggest that a bilateral trading agreement is something that precludes us from dealing effectively in trading with other countries are not clear on what the issue is before us. So this is an important aspect, that bilateral trading is only one part of the pursuit of policy that this government is involved in to enhance economic opportunities for the people of this province.

We have talked in the House about what is involved in a bilateral trading agreement. Essentially, members of the Assembly, it involves knowing what the rules are to be able to trade with your neighbour. Presently two-way trade between Canada and the United States is about \$170 billion, roughly in balance. Eighty percent of that trade is free of obstacles to two-way trade. What the bilateral trading agreement represents is a clear enunciation of how we move over a 10-year period to the removal of tariffs and barriers to trade on that latter 20 percent. That's essentially what the deal is.

Now, those who misrepresent the elements of the deal I think deserve to be brought up short. When they say that culture is threatened, that publishing is threatened, that the brewing industry is threatened, that agricultural marketing boards are threatened, that medicare, that unemployment insurance, that immigration laws are threatened, they are wrong. They are misleading the people of Alberta. These are not threatened. These are not a part of the bilateral trading arrangement. [interjections]

MR. SPEAKER: Order please.

MR. SHABEN: The agreement is simply one that will involve Canada and the United States setting the rules by which we deal with each other.

What does it mean to Alberta? It means that businesspeople, citizens, workers, small and large firms, understand what sort of commitments they can make to investment in plant, in machinery, in order to access a market of 230 million people. That's what it means. That's what it means.

In 1984 Alberta for the first time moved more goods and services south and west than east. That's a part of the transition that's been going on. It's changed. The whole world is changing, and Alberta is a part of that change. Those markets in the United States are tremendously important to us. With a small population, 2.4 million people, 50 percent of our GDP results from movement of goods and services outside of Alberta. One

half of that is the movement of goods outside of Canada. Let me give you an idea of what that translates into in jobs for Albertans. For each \$1 billion in exports there is a translation in jobs for Albertans of between 16,000 and 25,000 jobs. So it means, ladies and gentlemen of the Assembly, that our capacity to trade, our capacity to sell goods and services to the United States, to the Asian countries, to Europe is vitally important to the people who live here. And this trading arrangement, this deal which will, when it is fully written, be about 250 pages, with appendices of about 1,000 pages -- and I'm looking forward to reviewing it in its detail, but the principles are clear.

For those who want to read a little more about the essence, and my colleague the Minister of Federal and Intergovernmental Affairs advised us of some of the documents that are available for review, I would suggest the members review the Canada West Foundation's Canada/U.S. trade deal, an examination of that deal, also the Canada West Foundation's Sectoral Effects of Free Trade on the Western Canadian Economy. This is bringing it home to Albertans and to western Canadians. Also, the Informetrica study, a monthly economic review on the free trade agreement. These are additional reviews that are important in order to understand the consequences of bilateral trade with the United States.

Now, I get a little frustrated by people who use scare tactics in order to discourage Albertans from examining the benefits of a bilateral trade deal. There are those in this Assembly, Mr. Speaker, who know better. When they talk about energy -- for example, the threat to Alberta's energy security -- what really they're expressing is a concern that is expressed elsewhere in Canada about an inability to set the price of Alberta's natural gas and oil. That's really what they're talking about. They're not talking about anything else. So let's be clear when we're talking about Alberta and the interests of the people of this province. The people in this Assembly should be careful in representing the views of the people of Alberta rather than those that emanate from east of here.

Mr. Speaker, it's approaching time for adjournment, and I would request leave to adjourn the debate.

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

SOME HON. MEMBERS: Aye.

MR. SPEACER: Opposed, please say no.

SOME HON. MEMBERS: No.

[Several members rose calling for a division. The division bell was rung]

[Eight minutes having elapsed, the House divided]

For the motion:

Adair	Fischer	Nelson
Ady	Fjordbotten	Oldring
Alger	Getty	Orman
Betkowski	Gogo	Pengelly
Bogle	Heron	Reid
Bradley	Horsman	Russell
Brassard	Hyland	Shaben
Campbell	Isley	Shrake
Cassin	Jonson	Sparrow

Cherry	Kowalski	Stevens	Gibeault	Mjolsness	Wright
Clegg	McCoy	Stewart	Hewes	Pashak	
Cripps	Mirosh	Webber			
Day	Moore, M.	Weiss	Totals	Ayes - 48	Noes - 17
Downey	Moore, R.	West			
Drobot	Musgreave	Young	[Motion carried]		
Elzinga	Musgrove	Zarusky			

Against the motion:

Barrett	Laing	Sigurdson
Buck	Martin	Speaker, R.
Chumir	McEachern	Strong
Fox	Mitchell	Taylor

MR. YOUNG: Mr. Speaker, for the information of members the government business tomorrow evening is a continuation of the debate on free trade.

[At 5:40 p.m. the House adjourned to Thursday at 2:30 p.m.]

