

**LEGISLATIVE ASSEMBLY OF ALBERTA**

Title: **Tuesday, June 13, 1989 2:30 p.m.**  
 Date: 89/06/13

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

[Mr. Speaker in the Chair]

head: **PRAYERS**

MR. SPEAKER: Let us pray.

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

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

Amen.

head: **INTRODUCTION OF VISITORS**

MR. SPARROW: Mr. Speaker, I would like to introduce to you and through you to the Members of Legislative Assembly Mr. Andrew Mouravieff-Apostol. He is the secretary general of the International Federation of Social Workers in Geneva. He is in Alberta from June 11 to 15 on a site inspection of the meeting and convention facilities, with the view of booking the international congress of the International Federation of Social Workers in Edmonton in 1994 or 1995. Help us encourage him to bring his convention to Edmonton. He is seated in the Speaker's gallery, and I would ask that he rise and receive the warm welcome of the Assembly.

MR. EVANS: Mr. Speaker, it's my pleasure to introduce to you and through you to the members of this Assembly a representative group of the people who have been responsible for the development of the model for incorporation of a town in a national park. They've been making history every step of the way. The process has been a model of federal, provincial, and local consultation and co-operation as these people have worked as a team to reach this day. I would ask that they stand as I introduce them. They are seated in the Speaker's gallery. Firstly, representing the government of Canada, Gary Sargent, the associate superintendent of Banff National Park; representing the government of Alberta: Archie Grover, the Deputy Minister of Alberta Municipal Affairs; Tom Forgrave, the assistant deputy minister of municipal administrative services; and Tom Lauder, deputy director of municipal services branch of Alberta Municipal Affairs. Representing the Banff school district, who have spent considerable volunteer hours to make this a reality: Don Golding, Ted Hart, Brent Baker, and Ossie Treutler. Mr. Speaker, I would ask that all members give this group the traditional warm welcome of this House.

head: **INTRODUCTION OF BILLS**

**Bill 9**  
**Parks Towns Act**

MR. EVANS: Mr. Speaker, I'm honoured to introduce an historic piece of legislation: Bill 9, the Parks Towns Act.

This Bill will provide for the incorporation of Alberta towns in the national parks when agreement has been reached with the government of Canada and the affected population. In particular, it will enable the incorporation of the town of Banff, effective January 1, 1990, the first municipality to be established inside a national park in Canadian history.

Thank you, Mr. Speaker.

[Leave granted; Bill 9 read a first time]

MR. HORSMAN: Mr. Speaker, I would move that Bill 9, the Parks Towns Act, be placed on the Order Paper under Government Bills and Orders.

[Motion carried]

MR. SPEAKER: Member for Calgary-Fish Creek.

**Bill 233**  
**Service Dogs Act**

MR. PAYNE: Thank you, Mr. Speaker. I request leave today to introduce Bill 233, Service Dogs Act.

The purpose of this Bill, Mr. Speaker, is to resolve a long-standing legislative deficiency in our province. Under the provisions of this Bill, disabled Albertans, such as the deaf and quadriplegics, using service dogs would no longer be denied with impunity access to public accommodation, services, and facilities.

[Leave granted; Bill 233 read a first time]

head: **TABLING RETURNS AND REPORTS**

MR. GOGO: Mr. Speaker, I'm pleased to table the 1986-87 annual report of Athabasca University and the annual report for the year ended June 30, 1988, for Medicine Hat College.

MRS. BETKOWSKI: Mr. Speaker, I am pleased to file with the Assembly four copies of the Alberta Registered Dietitians' Association annual report for the year ended April 30, 1988, the 1986 Vital Statistics annual review, the 1987 Vital Statistics annual review, and to note that members have been previously distributed copies of these documents.

head: **INTRODUCTION OF SPECIAL GUESTS**

MR. CARDINAL: Mr. Speaker, it's my pleasure to introduce to you and through you to the Members of the Legislative Assembly 49 students from the Fawcett school. They are accompanied by their teachers Jim Laughy, Nancy Ross, and Roy Woolsey, and also their bus driver Steve Howard. They are seated in the members' gallery, and I would ask that at this time they rise and receive the warm welcome of this Assembly.

MR. JONSON: Mr. Speaker, on behalf of my colleague the Member for Lacombe I am pleased to introduce to you and through you to members of the Assembly 15 students from Satinwood school, located just east of the town of Lacombe in the county of Lacombe. They are accompanied by their teacher Wendy Flewelling and parent Ern Russell. They are seated in the public gallery, and I would ask that they stand and receive

the warm welcome of the Assembly.

MR. GIBEAULT: Mr. Speaker, I am pleased to introduce to you and the other members of the Assembly this afternoon some SO students from Meyokumin school in the constituency of Edmonton-Mill Woods. They are here today with their teachers Mrs. Kathy Wright, Mrs. Wendy Troock, and Mr. Vlad Eshenko, and parent Dorothy Schultz. I would ask them to stand in the gallery now and receive the warm welcome of the House.

MR. SPEAKER: Banff-Cochrane, followed by the Minister of Family and Social Services.

MR. EVANS: Thank you, Mr. Speaker. I was remiss in neglecting to mention two other individuals in the Speaker's gallery who are very large players in the incorporation of the Parks Towns Act: Mr. George Yates, the director general of Canadian Parks Service in Ottawa -- I would ask him to stand -- and Mr. Jerry McNeil of the Canadian Parks Service in Ottawa. Again I would ask that all of the members of this Assembly join me in welcoming these gentlemen with the traditional welcome of this House.

MR. SPEAKER: The Minister of Family and Social Services, followed by Calgary-Mountain View.

MR. OLDRING: Thank you, Mr. Speaker. It's my pleasure to introduce to you and through you to the Members of the Legislative Assembly Mr. Mark Nicoll, who is the executive director of the Alberta Association of Social Workers. I'm sure he's here to lend support to the Minister of Tourism in our bid for a very important conference. I would ask Mark to stand in the public gallery and receive the warm reception of this House.

MR. SPEAKER: Calgary-Mountain View.

MR. HAWKESWORTH: Thank you, Mr. Speaker. It's my pleasure to introduce to members of the Assembly Mr. Nelson Veinot and Mrs. Barb Veinot, who are visiting Alberta from Lunenburg county in Nova Scotia. They are seated with my mother, Mrs. Elsie Hawkesworth, in the members' gallery. I'd ask them to stand, and please give them a warm Alberta welcome. Thank you.

MR. SEVERTSON: Mr. Speaker, I take great pleasure today in introducing to you and through you to the members of this Assembly 25 grade 5 students from Spruce View school and their teacher Marguerite Baker and parents Shirley Lentz, Alfred Schatschneider, Mary Flemming, Karen Craig, Janice Murphy, and Joanne Elverum. I would like to ask them to stand and receive the traditional welcome from this Assembly.

#### head: ORAL QUESTION PERIOD

#### Department of Health Act

MR. MARTIN: Mr. Speaker, to the Premier. During the recent provincial election I went around and at every opportunity talked about this government's hidden agenda, that eventually we would pay for it if they came back with a majority government: higher taxes, cutbacks in people services, and above all,

privatization; you know, that word that excites Conservatives immensely. Well, the budget proved that I was right, and now a recent Bill brought in by the Minister of Health, Bill 5, also proves we're right about privatization. I do not recall this Premier going around this province saying, "Elect me, and we're going to privatize the provincial health facilities." I don't recall that, Mr. Speaker, but that's what they're doing under this Bill. My question is to the Premier. Why weren't you honest with the people of Alberta, and why didn't you tell them during the election that you intended to privatize provincial hospitals in this province?

MR. GETTY: Mr. Speaker, it's been interesting over the years in the Legislature. Many members have discussed with ministers of health opportunities in which they might be able to provide an efficient, effective health delivery system and try to do it in a way that protects the income and the tax situation for Albertans. During the course of those discussions, often ministers have talked of perhaps on a pilot basis seeing if there is some way to use the private sector to do it in a more efficient way. There certainly has been no commitment by the government in any way to privatizing the health care system in Alberta. But there is no question that governments now and in the future must work very hard to make sure we can deliver a superb health care system but do it in a way that the taxpayers can afford.

MR. MARTIN: Mr. Speaker, this government does not have a mandate to change the health care system in this province.

My question to the Premier: is he admitting, then, that this Bill 5 is an attempt to be able to privatize and sell off our public hospitals? Is that what he's saying, Mr. Speaker?

MR. GETTY: Mr. Speaker, the hon. member can try, but that's absolute nonsense. I mean, that is absolute nonsense, and if he wants to draw that conclusion, then it must be some dream in his head.

I would say, Mr. Speaker, to all members that one thing about the parliamentary process of dealing with legislation is that we provide a series of times in the House in the legislative process to deal with it: first reading, which we've had; we have second reading; we have third reading; we have committee study of Bills. I invite the hon. member or his colleagues to raise their concerns as the Bill proceeds, but don't try and distort the Bill by this nonsense that somehow the government is selling off its health care system. That is nonsense.

MR. MARTIN: Has this Premier even read the Bill, Mr. Speaker? Is he aware that section 11 of Bill 5, the Department of Health Act, allows the minister to sell off our provincial hospitals? Is he even aware of that?

MR. GETTY: Mr. Speaker, as the hon. member should know by reviewing *Hansard*, I have answered his questions already.

MR. MARTIN: Mr. Speaker, then to the Minister of Health. The Premier should know that this particular section allows the Crown to sell, lease, or otherwise any facility "to any person or organization." It can even sell patients. We could transfer patients from one to the other, and then we can give it away to our Conservative friends. That's all in the Bill, if he wants to take the time to read it.

My question, then, to the minister. Maybe she's more aware of the Bill that she brought in. Can the Minister of Health explain why this legislation is coming in now, after the provincial election, and it was not talked about during the election?

MRS. BETKOWSKI: Mr. Speaker, I must admit that I'm a bit puzzled not only by the questions but my ability to answer the questions. There is a Bill before this House, which will follow the regular route of legislation, and as the Premier has very clearly stated in terms of the general, overall perspective on the Bill, of course there is no intention of this government to privatize facilities. I only need look at the estimates book to show how directly involved this government is in health care in this province. So, albeit the Leader of the Opposition has taken a perspective on the legislation which is incorrect, I would prefer -- and I take your ruling, Mr. Speaker -- to deal with it when the Bill is before this House. The general statement of the context and the purpose of the Bill has been very clearly stated by the Premier.

MR. MARTIN: Mr. Speaker, this minister has brought a Bill into this House that's fundamentally changing our system, and we want to know, before this is an Act, when they can bring in closure: if you didn't intend this in the Act, why did you bring it in then?

MRS. BETKOWSKI: Mr. Speaker, the disposition of facilities, which is the section under the Act that the hon. Leader of the Opposition is referring to, is one that frequently occurs in legislation where property is involved in the delivery of services. I will look forward to the debate on the Bill in this Assembly.

MR. MARTIN: Remember, you had to bring back one other Bill when you brought in two-tiered medicine. We are trying to help you out before it's a mistake.

It's clearly under here. Provincial hospitals fall under it. We've checked it out. I can even tell you the ones. I'm asking this minister then. Is she unaware that you could take a big hospital like Calgary Foothills, under this Bill, and sell it to anybody you wanted for \$1 or whatever you wanted, Mr. Speaker? Well, then, she'd better read the Act.

MRS. BETKOWSKI: Mr. Speaker, the member is not correct in the assumptions that he's making with respect to provincial hospitals, with respect to the jurisdiction of the Hospitals Act, and now with the Bill for the Department of Health Act, which is before this Legislature. All I can say is that I look forward to the debate that is going to occur.

### **Constitutional Reform**

MR. DECORE: Mr. Speaker, the Meech Lake accord, which the Premier signed two years ago, appears to be doomed and for good reason. That accord requires virtual unanimity in terms of constitutional change, particularly as it affects Alberta's interest in Senate reform. It also, from what we've been able to see, now has great flaws, in that a province is able to trample over the rights of minorities. Some provinces, including a province led by a Conservative Premier, have moved to show alternatives and have shown courage in moving to propose those alternatives. Very recently the eastern Premiers have decided not to pursue Meech Lake, to keep it off the agenda of the next First

Ministers' Conference. My question to the Premier is this. Will the Premier call upon his friend the Prime Minister of Canada to call a new First Ministers' Conference as soon as possible so that an alternative can be worked out to get rid of this Meech Lake accord and to get one that's better suited for western Canada and particularly Alberta?

MR. GETTY: Mr. Speaker, I draw attention to the hon. member that the Meech Lake accord was not just signed by the government but in fact was endorsed 100 percent by the Legislature of the province of Alberta. I'd also say that the negotiations that went into trying to establish a new constitutional reform package for Canada took many hours of deliberation and co-ordination and negotiation. It is sad if it appears that it may have trouble being ratified. However, it was established by first ministers working together under the chairmanship of the Prime Minister, and now if the accord does not appear to be progressing as it should, it'll be necessary for the Prime Minister as chairman to once again bring together the first ministers to deal with the issue. We've discussed that, and the Prime Minister is calling such a meeting.

MR. DECORE: Mr. Speaker, all of the parties in this Assembly agree with Senate reform. Is the Premier prepared to agree to the establishment of a three-party committee that will deal with the expeditious movement of Senate reform to get this thing off the stall paper and get it moving along, which the Premier hasn't been able to do?

MR. GETTY: It's interesting, Mr. Speaker, how some members try to get on the bandwagon when they find something that's popular. The government of Alberta was discussing Senate reform many years ago. We were able, first as one government, one Premier promoting the Triple E Senate across this country, to move from one Premier to five Premiers now supporting it. I believe we have made a breakthrough in the issues that the Triple E covers; that is, elected, effective, and equal. We can move a great way along the line to Senate reform through constitutional reform, which is necessary. We're going to keep working for that. I should merely point out to the hon. member as well that we have here in this Legislature an all-party group, a perfect situation if the hon. member wants to raise any matters with regards to Meech Lake or Senate reform. It is here. Though, Mr. Speaker, I want to correct the hon. member's thinking. The government of Alberta has led the way in Senate reform in Canada.

MR. DECORE: Mr. Speaker, with the greatest of respect, the Premier has been a failure with respect to Senate reform. Is he prepared to repudiate an agreement that's holding Alberta back and that has flaws that allow the government to trample over minorities? Will he repudiate that agreement?

MR. GETTY: Mr. Speaker, again the hon. member talks without knowing what he's talking about. The government of Alberta has made sure, in all of its progress towards Senate reform and constitutional reform, that we'll always protect the rights of Albertans -- all Albertans -- and Canadians during that process.

### **Review of Science Curriculum**

MR. BRADLEY: Mr. Speaker, I'd like to direct my question to

the Minister of Education. In order for Canada to compete in a world economy increasingly driven by science and technological innovation, it is imperative that we encourage our young people to enter careers in the sciences and engineering. As such, I'm concerned about the talk in our province that the Minister of Education is somehow diluting the quality of science education such that we will be graduating students who will be functionally illiterate in the sciences. Would the minister advise the Assembly if he is prepared to stop the erosion of science education in the province by taking strong measures to ensure that an enhanced science curriculum is a top priority of his ministry?

MR. DINNING: Well, Mr. Speaker, the hon. member is talking about excellence and demanding excellence in our children's education. That is precisely what we are trying to achieve, and in order to do that in the sciences, our objective has got to be making sure that they have the very best in science education. That means making sure that they get basic concepts in physics, in chemistry, in biology, and in the earth sciences.

But it also means going one step further, Mr. Speaker, and applying that basic knowledge to Alberta and Canadian society here today. It means applying it to the environmental issues, to agriculture and oil and gas, which is the mainstay of our province. It means talking about water, and putting science in the context of all of the sciences that are around us in this province. Our objective is not to dilute the quality of science education in the province. Instead it's to strengthen and to promote a far greater understanding, a far greater scientific literacy amongst all of our citizens.

MR. BRADLEY: A supplementary question, Mr. Speaker. To the minister. Many teachers, professors, and scientists have expressed concerns about the science curriculum. Is the minister prepared to ensure that adequate consultation takes place with knowledgeable groups in the province?

MR. DINNING: Mr. Speaker, that's precisely what we have done. There was a draft program of studies prepared by a committee of teachers drawn from around the province that was released in January of 1989. It went out for public review to teachers, to university professors, and to others in the community, and we've had a lot of comment, a lot of strong response, some 600 in number. What we're going to do is -- obviously we have our work cut out for us because there was a lot of criticism of what we've done. But we're taking that back and redrafting at that committee level the science curriculum, and we'll go back and we'll test the waters again with the scientific and business community as well as the academic community. We will do it until we have done it right, Mr. Speaker, done it right so that we've got a program that's good for all children in our high schools, not only the children that go on to university but all of the children in our high schools.

MR. BRADLEY: Supplementary, Mr. Speaker. It's been reported that the minister is persisting in having the new science curriculum introduced in the fall of 1989. Is he prepared to reconsider that decision?

MR. DINNING: Mr. Speaker, we have delayed implementation of this new program of studies for one year. Clearly we need to improve the program of studies, but we are committed to con-

tinuing with this approach to a better scientific education for our young people. We are going to make sure that we've got the program of studies in place. We're going to make sure that we've got the proper textbooks and learning materials in place. We're going to make sure that the university community is on side.

But, Mr. Speaker, most of all what we're trying to concentrate on is what is best for students, what's best for kids. Our objective must be literacy, scientific literacy for all Albertans but especially our young Albertans, so that they can compete in the world beyond high school.

MR. SPEAKER: The Member for Vegreville, followed by Calgary-Buffalo, then Bow Valley.

### Federal Drought Assistance Program

MR. FOX: Thank you, Mr. Speaker. In response to my concerns about the failure of his cousins in Ottawa to deliver on their promise to provide \$850 million of drought assistance to farmers early in the new year, the Minister of Agriculture stated on Friday that he would "anticipate" and that he was assuming that the federal government would keep their promise. How does this Minister of Agriculture justify his government's failure to stand up for Alberta farmers, whom he well knows needed this drought assistance cash many months ago and whom it doesn't appear will receive it for another month or two.

MR. ISLEY: Mr. Speaker, one beautiful thing about having *Hansard* as a record of the House is that those who are not listening have an opportunity to read later on. I think if the hon. Member for Vegreville were to read yesterday's *Hansard*, he will find that I reinforced the position that I had Friday. It was my best feel that the federal government was going to come forth and fulfill the commitment it made in November of 1988.

MR. FOX: Mr. Speaker, I shouldn't need to remind the minister that it costs a lot of money to seed crops these days, and the interest rate on trade accounts is 24 percent. He shouldn't be twiddling his thumbs in meetings; he should get on his horse and ride.

How can the farmers of Alberta trust a government that seems content to spend their time behind closed doors in secret negotiations rather than coming forward and delivering on this promise?

MR. ISLEY: Mr. Speaker, I'm not aware of any promise that this government has not delivered on to the agricultural community. I spent a fair number of hours last evening with the Alberta Cattle Commission, three hours this morning with the pork producers of this province, and I didn't run into one of them that was critical of our agricultural programs or the fulfillment of our commitments.

MR. FOX: With respect, Mr. Minister, that doesn't put any money into the pockets of farmers who need that assistance.

Is this minister willing to agree to commit the taxpayers of Alberta to help fund Brian Mulroney's campaign promises if the federal government agrees to change the method of payment of the Crow benefit?

MR. ISLEY: Mr. Speaker, again I would refer to my first

response. If the hon. member had listened yesterday or would read *Hansard* today, he would know that I have said all I am going to say at this point in time about any negotiations that are under way.

MR. SPEAKER: Calgary-Buffalo, followed by Bow Valley.

### **Suspension of Teaching Certificate**

MR. CHUMIR: Thank you, Mr. Speaker. To the Minister of Education. We've had an announcement today that the minister has suspended the teaching certificate of a Mr. Lou Little, who taught in the Waldorf private school in Calgary from 1986 to '88 and in the Waldorf alternative program under the Edmonton public board from '81 to '85. Now, the mental and physical abuse of students which went on is shocking, and Alberta parents need to know what went on, why it took so long to get Mr. Little out of the classroom, what monitoring goes on in private schools, who's responsible for . . .

MR. SPEAKER: Thank you, hon. member. You're trying to get three or four questions at once. One question was heard; perhaps the minister could respond to that. [interjection] Order please, hon. member.

Mr. Minister, to the first question.

MR. CHUMIR: That was not a question, Mr. Speaker.

MR. SPEAKER: Hon. member . . .

Mr. Minister, to the first question, please.

MR. DINNING: Mr. Speaker, I am sorry I couldn't discern all of the questions the member was asking, but I can say that we have suspended the teaching certificate of Mr. Little following a very extensive, comprehensive review by the Council on Alberta Teaching Standards. They received a formal complaint in June of 1988, by which time Mr. Little had left the Waldorf school for good. The complaint was investigated, a series of hearings was completed, and two days ago I received on my desk a recommendation that his teaching certificate be suspended. I signed that and have so directed that it happen.

MR. CHUMIR: This matter went on for seven years under spectacular and distressing conditions, and I'm wondering what the minister is going to do to ensure that the full facts of this matter become public and that they aren't shuffled under the carpet.

MR. DINNING: Mr. Speaker, the full facts are out. Mr. Little is no longer teaching in this province and will not be allowed to teach in this province again until he has served a minimum of one year of supervised practice review teaching. I can tell you, Mr. Speaker, that it is unlikely under the circumstances that Mr. Little would be able to get a contract with a local school board.

Mr. Speaker, we have before us an opportunity not just to identify excellent teachers, as we are now able to do under the Council on Alberta Teaching Standards, but we are now able to review the competency and the skills of teachers through this same process. That gives an open window of confidence by parents and by the general public that we have an ability to look at and review the practice of teachers and the practice of teaching to make sure that we have the best ones in our system.

MR. CHUMIR: Well, this isn't the lottery fund, and it's not good enough to deal with this matter in the back rooms. This is our children. I wonder what the minister is going to do to improve the monitoring of private schools and alternative schools and public programs to see that people like Mr. Little are not able to abuse our children year after year after year for seven years, as took place in this situation.

MR. DINNING: Mr. Speaker, obviously the lawyer member across would choose his words very carefully. We are talking here about teaching competence and the skills of a teacher, and that is what the Council on Alberta Teaching Standards will and must review. The Alberta Teachers' Association as a professional organization has a responsibility to review professional conduct, and I look to the Alberta Teachers' Association to exercise its full responsibility.

### **Garden Suite Program**

MR. MUSGROVE: Mr. Speaker, my question is to the Minister of Municipal Affairs. Some time ago the Alberta government announced a pilot project for senior citizens' housing. This is a small compact housing unit that is kept in the backyard of family or friends for seniors to live close to where they have someone to communicate with. Could the minister tell us where this project is at this time?

MR. R. SPEAKER: Mr. Speaker, I appreciate the question from the hon. Member for Bow Valley. One of the things that I have found in my entrance to and association with this government is that they are in continuous pursuit of new ideas and new programs that are unique and also meet some very basic requirements to meet the needs of our senior citizens in this province of Alberta. The garden suite program that the hon. member is talking about meets two very basic requirements. One is that it fulfills accommodation, but secondly, it gives that extra capability of care for the senior citizens next to their children or grandchildren. Three of these homes, in terms of the pilot project, are going to be located in the urban centre of the city of Lethbridge. Three others will be located in the rural area in the county of Parkland.

MR. MUSGROVE: Okay. He answered my second supplementary. [interjections]

MR. SPEAKER: Order in the House, please.

MR. MUSGROVE: Mr. Speaker, I would also like to ask him what the cost of these pilot project housing units is going to be and who is going to pay for them. That's two questions, I guess.

MR. R. SPEAKER: The hon. members of the opposition are going to allow me three answers, and I appreciate that.

The cost of these projects over the three years of the pilot project will net out at about \$228,000. The actual rental rates that we will charge will go towards repayment of a major portion of that sum of money again. The ownership of the units will be maintained by the Department of Municipal Affairs.

MR. SPEAKER: Final supplementary. Bow Valley.

MR. MUSGROVE: No.

MR. SPEAKER: Edmonton-Beverly, followed by Calgary-Glenmore, then Calgary-McKnight.

#### **School Foundation Program Fund**

MR. EWASIUK: Thank you, Mr. Speaker. I'd like to direct my questions today to the Minister of Education. This government has promised repeatedly that Albertans would not be subjected to tax increases. For every time we hear this promise, we can again point to another example where promises have been broken. On May 31 the minister's department distributed notices to municipal secretaries across the province. This notice set out that the School Foundation Program Fund mill rate for 1989 was going to increase by .4 mills. Because the government failed to notify the municipalities about this increase before the May 1 deadline, municipalities across the province have not had the opportunity to raise their taxes, thus do not have the revenue to pay for this increase. My question to the minister is: from what source does he expect the municipalities to acquire the increased payments demanded by the government?

MR. DINNING: The mill rate increase was announced at the end of May. It was the first increase; there was no increase in 1987 or in 1988. This is the first one since 1986. That mill rate increase will be applied to businesses in the industrial assessment, and municipalities will be expected to collect that tax for payment of the cost of education across the province.

MR. EWASIUK: Well, Mr. Speaker, the difficulty is that municipalities weren't advised in proper time. Why is this government punishing the municipalities by breaking its promise of no tax increases and forcing them to dip into their own savings now?

MR. DINNING: Well, Mr. Speaker, they will not have to dip into their own savings.

MR. EWASIUK: Well, Mr. Speaker, given that the minister's department failed to notify the municipalities of the increase before the deadline, will the minister now agree to rescind the proposal for the increase in the School Foundation Program Fund mill rate?

MR. DINNING: No, Mr. Speaker, I wouldn't. I still cannot understand how the NDP position would be that they would want to control the amount of expenditures at the local level, and that's precisely what the hon. member is saying. He's saying: let's put a cap on the cost of education, and we'll impose that from this Legislature. Now, that's a strange position that that party would be putting forward, Mr. Speaker. [interjections]

MR. SPEAKER: Thank you, members. [interjection] Thank you, all members.

#### **Programs for Small Businesses**

MRS. MIROSH: Mr. Speaker, prior to the election, in the throne speech, and now in the budget speech there was an announcement of two new programs to provide a measure of relief for small Alberta businesses: the small business interest shielding program and the Alberta capital loan guarantee program.

There doesn't seem to be any activity in these programs. Will the Minister of Economic Development and Trade indicate to this Assembly the status of these programs?

MR. ELZINGA: Mr. Speaker, we hope to have announcements relating to both programs prior to the end of the month.

MRS. MIROSH: Could the minister indicate why there is this lengthy delay?

MR. ELZINGA: Mr. Speaker, we're in the process of putting together the application forms, negotiating with the financial institutions, and we want to make sure that we have the complete package ready so that those individuals who do wish to participate in these programs will have access to them when we make the announcement as to all the final details. I should share with the hon. members, as it relates to the interest shielding program, that there will be retroactivity to March 1.

MRS. MIROSH: Is the department still accepting applications for these programs?

MR. ELZINGA: Yes, Mr. Speaker, it is our hope to have it for a period of two years, whereby we will accept applications for that time period.

MR. SPEAKER: Calgary-McKnight, Stony Plain.

#### **Curriculum Development**

MRS. GAGNON: Thank you, Mr. Speaker. My question is to the Minister of Education. As mentioned earlier, the Department of Education has been attempting to impose a new science curriculum on Alberta high schools despite widespread opposition from science teachers in both the secondary and postsecondary systems. I am pleased that the minister is beginning to recognize the importance of this issue and the need for consultation on questions of major curriculum development by announcing a review panel, which he did earlier today. Can the minister indicate on what basis the members of this advisory panel will be selected?

MR. DINNING: Well, Mr. Speaker, I spoke of the process by which we build curriculum in the province. We have a committee of science teachers from across the province who build curriculum on the basis of advice and input they receive from educators and others across the province. This is a committee of teachers that design curriculum. Their first draft of the first program of studies for science 10, 20, and 30 in the chemistry and biology and physics courses was released in January of 1989. We have received over 600 comments and replies on these programs, some of them very critical. That same committee is taking that advice and applying it to these programs, and we will be releasing a second draft program of studies in all of those courses sometime over the next six weeks.

MRS. GAGNON: Thank you. Supplementary to the minister. Is this advisory committee going to be given authority to actually recommend significant changes based on their findings in this science curriculum, or is this going to be a public relations exercise to allay the fears of the critics?

MR. DINNING: Well, Mr. Speaker, this committee has been in place since we began the entire exercise. This is a committee of science teachers and others from across the province who are expert in the teaching of science education. These are teachers. This is no exercise that the hon. member is suggesting, and it has been in place since day one. They have drafted a program of studies. The program of studies has gone out. We are now receiving comments back, some 600 in number. We're taking those comments and using them, using the substance of them to rewrite the curriculum. Once that is done, then that second draft program of studies will go out again for public consultation. We will continue to consult with the public and consult with educators, both university professors and teachers, and the business and science communities in this province until we've got it right.

MRS. GAGNON: Final question. This leads exactly into my final question, Mr. Speaker. There used to exist in Alberta an entity called the Curriculum Policies Board, which allowed interested stakeholders direct input into the decision-making process as it affects curriculum development. Unfortunately, this board was dismantled in the early 1980s and fiascos such as this current science curriculum are the result. Will the minister commit to immediate reinstitution of the Curriculum Policies Board to avoid any further such problems?

MR. DINNING: No, Mr. Speaker, I will not, because the flexibility, the strength of our curriculum writing exercise is that we can draw experts and people wise in the field of social studies, science, home economics, physical education, or any other subject. We can bring those people to a committee to help us build curriculum. Rather than rely on one set, fixed group of people, I would rather be able to go and call upon experts in that field to advise us on the speciality, the field that they know best, and that provides us with some of the very best curriculum that you will find in this country.

MR. SPEAKER: Stony Plain, followed by Red Deer-North, then Calgary-Mountain View and Edmonton-Meadowlark.

### **Education Funding for the County of Parkland**

MR. WOLOSHYN: Thank you, Mr. Speaker.

AN HON. MEMBER: Good question. Sit down.

MR. WOLOSHYN: I guess the hon. member from across the way has poor hearing; that wasn't the question yet.

It's becoming painfully clear to me, Mr. Speaker, that the local taxpayers cannot trust this government to deal fairly with their own local levels of government. The Minister of Education has ignored the county of Parkland's detailed briefs on the cost of the creation of the new school division of Twin Rivers. In addition, officials from Alberta Education over the past couple of years have assured the county that, in fact, they would benefit from such a creation. Now, Mr. Speaker, I'm aware that there are deficits here and deficits there and definitely deficits in this particular government. My question to the Minister of Education is this. Why is the Minister of Education attempting to shift the burden of its deficit and also of its errors in judgment onto the shoulders of those municipalities affected by this particular tax increase by not providing sufficient funding to ade-

quately keep the tax increases from jumping from 30 to 60 percent?

MR. SPEAKER: Thank you very much, hon. member.  
Mr. Minister.

MR. DINNING: Mr. Speaker, typical of the members of the opposition, they don't have their facts straight on this one. In fact, here is a shortfall in the county of Parkland's budget this year, but it relates to a number of factors. Perhaps the hon. member might want to do his own homework with his own constituents before he brings Parkland problems into this Legislature. In fact, a new municipal district of Brazeau and a Twin Rivers school division were created. Out of that creation of a new school division Parkland lost some assessment, lost a fair amount of assessment, because of the wealth of the Drayton Valley area. But, in fact, with our \$3.75 million one-time, five-year transitional grant we have more than paid for the cost and the loss to the county of Parkland attributed to the lost assessment. So I'd suggest that the hon. member go back and find out what accumulated deficits the board of education in the county of Parkland have acquired and how they're going to do their own homework to eliminate those deficits.

MR. WOLOSHYN: Mr. Speaker, I have been doing my homework. I have attended four out of five meetings. I am attending one tonight.

SOME HON. MEMBERS: Question.

MR. WOLOSHYN: Well, if you're so quick for the question, here it is. Are you prepared, after you have reviewed the real figures, to extend your transitional grants for an additional four years to make sure that the county of Parkland, which includes four constituencies, does not continue to suffer?

MR. DINNING: Mr. Speaker, the hon. member should go back and review the history of this, because in fact the county of Parkland enjoyed a surge of assessment in 1988 due to the taking in of range 11, which had never been part of the county of Parkland. In fact, the county did not account for that in 1988 and, as a result, reduced its taxes and the requisition. So taxpayers this year are not only making up for that lost assessment, but they are also paying for an accumulated deficit which the county of Parkland board of education has acquired. But the dollars, the lost revenue attributed to the lost assessment area that has gone to the Twin Rivers school division has been fully compensated for by this provincial government.

MR. WOLOSHYN: Mr. Speaker, please bear with me; I'm new at this game.

SOME HON. MEMBERS: Question.

MR. WOLOSHYN: I'll give you the question. The shortfall in budgeting was due to a reduction in funding for '86-87. However, since I've been attending these public meetings . . .

SOME HON. MEMBERS: Question.

MR. WOLOSHYN: I'm coming to the question, if you'll bear with me.

The city of Spruce Grove, due to the large tax increases, is now threatening to withdraw from the county system of education, thereby increasing educational costs to the county of Parkland and the city of Spruce Grove. Are you prepared . . .

MR. SPEAKER: Hon. member, thank you. We are at the question. Great, let's go.

MR. DINNING: Mr. Speaker, I am going to rely upon the locally elected citizens to make sure that their political leaders in those communities make decisions that are wise and responsive to the needs of the people in those communities. Where this government has a responsibility, in this case helping and assisting the county of Parkland to make up for the lost revenue due to the lost assessment due to the creation of the Twin Rivers school division, we have contributed \$3.75 million, a one-time, five-year transitional grant, to assist them to get over that hurdle. So the provincial government has done more than its share. Now it's time for the leadership within the county of Parkland to do its share.

MR. SPEAKER: Red Deer-North, followed by Calgary-Mountain View.

### Services to Diabetics

MR. DAY: Thank you, Mr. Speaker. My question is to the Minister of Health and deals with diabetic services. The Aids to Daily Living program presently covers most of the costs that are associated with the traditional monitoring strips that diabetics formerly used, but it does not cover the cost of the blood monitoring strips. Most diabetics now choose to use these blood monitoring strips, but they must pay an average monthly cost of approximately \$68, since they are not covered in the same manner. Will the minister consider a change of policy which would bring financial relief to those diabetics now using these blood monitoring strips?

MRS. BETKOWSKI: Mr. Speaker, since I became Minister of Health in September of 1988, I've had a number of discussions with Albertans around the province about how pleased they are to have the Alberta Aids to Daily Living and the extended health benefits program that we are able to offer in this province. Nonetheless, I believe it's very important that we look at the resources we are dedicating to that program to ensure that we're meeting the most pressing needs of Albertans and getting the best value for the resources that we're dedicating to it. As a result, I am looking at ways to review, if you like, the services offered under ADL in order to make them more contemporary and more consistent with the needs of Albertans.

MR. DAY: Well, in that vein, Mr. Speaker, in light of advancing technology, will the minister also look at the implications of financial relief for the majority of diabetics now using the advanced pen type of needle rather than the traditional syringes, which actually cost more money?

MRS. BETKOWSKI: Mr. Speaker, that's certainly part of the overall review, the program review if you like, that was outlined in the Provincial Treasurer's address last Thursday night. Again, I believe there are ways that we can ensure that we are meeting the most pressing need and getting the best value for

the close to \$46 million that we're dedicating to the program. Building the diabetic maintenance program into that is certainly part of my review.

MR. DAY: Mr. Speaker, since Red Deer is the only city of its size without an actual diabetic metabolic centre, is the minister prepared to consider the financial implications of a community proposal for the development of such a centre in Red Deer?

MRS. BETKOWSKI: Mr. Speaker, I am aware that there are some diabetic metabolic services offered outside of the hospital complex in Red Deer, and I believe it's the kind of facility -- certainly we've seen it operating in other centres in our province -- that very well lends itself to the community structure as opposed to necessarily a hospital structure. Nonetheless, in the budget planning which is now occurring in the hospital and community health sector for the 1990-91 fiscal year, I would certainly be prepared to look at a proposal which was made by the community in conjunction with the medical staff in that community.

MR. SPEAKER: The time for question period has expired. One point of order. Calgary-Buffalo.

MR. CHUMIR: I'm going to pass on the point of order, Mr. Speaker.

MR. SPEAKER: Thank you, hon. member.

### head: ORDERS OF THE DAY

MR. SPEAKER: Might we revert briefly to Introduction of Special Guests?

HON. MEMBERS: Agreed.

MR. SPEAKER: Opposed? Carried. Thank you.

The Chair recognizes Redwater-Andrew, followed by Drayton Valley.

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

MR. ZARUSKY: Thank you, Mr. Speaker. It's my pleasure today to introduce to you and through you to the rest of the Assembly 35 students from the Thorhild Central high school. They are accompanied by teacher Maria Wiese and parents Mrs. Mazerenko and Mrs. Turenne. They are seated in the members' gallery, and I would ask that they rise and receive the warm welcome of the Assembly.

MR. THURBER: Mr. Speaker, it gives me a great deal of pleasure to introduce to you and through you to the Assembly some pioneers and senior citizens from in and around the hamlet of Winfield. They are accompanied today by Lorne Cripps and his new wife, Shirley, whom some of you know. I would ask that they all stand and receive the traditional welcome of this House.

### head: WRITTEN QUESTIONS

MR. HORSMAN: I would move that the written questions on the Order Paper stand and retain their places.



[Motion carried]

head: **MOTIONS FOR RETURNS**

MR. HORSMAN: Mr. Speaker, I move the motions for returns on the Order Paper stand and retain their places.

[Motion carried]

head: **MOTIONS OTHER THAN  
GOVERNMENT MOTIONS**

202. Moved by Mr. Ady:

Be it resolved that the Legislative Assembly urge the government to support a change in grain marketing policy which would enable and encourage Alberta grain growers to maximize opportunities under the free trade agreement.

MR. ADY: Thank you, Mr. Speaker. I'm pleased and honoured today to present to this Assembly Motion 202. This motion aims to ensure that Albertans evaluate opportunities and challenges that are presented to grain farmers by the growing free trade agreement. It is also asked that we formulate policies which provide the best possible return to Alberta grain growers.

[Mr. Deputy Speaker in the Chair]

Mr. Speaker, this motion is not just vital to Alberta grain growers; it's vital to all Albertans. We export about \$1.2 billion in grains, oilseeds, and other products each year. They made up 44 percent of our merchandise trade balance. Their contribution to the balance of trade makes our dollar more stable and benefits all Canadians through lower import trade prices, and our grain trade is crucial to our province and our nation.

The future of our grain trade is vulnerable. In the 1950s Canada captured nearly 40 percent of the world's market in wheat. In the last 20 years our market share has dropped to between 17 and 23 percent. Industrialized countries are becoming increasingly self-sufficient in grains and oilseeds, drying up traditional markets that we've enjoyed. We have had to pay dearly to maintain our share of the market, but we have before us an opportunity to expand into the American market. We're not going to sell unlimited quantities of grain into the U.S. market -- they're already major exporters of grain in the world -- but an extra million tonnes is certainly possible. There are many substantial niche markets where Canada's combination of price and quality is and will be attractive to U.S. buyers. If we don't take time to adjust to the new trading environment, we risk not only losing an important opportunity; we could lose some of our existing domestic market. The door to freer trade opens both ways.

This motion calls for us to take a long, hard look at how we can exploit our natural advantage in the U.S. market and to look for any barriers we may have erected in our own marketing policies that could keep us from realizing our export potential. Before I talk about export trade barriers, I'd like to describe for you what I see as some incredible opportunities to move into the American market. I think we all know that Alberta farmers have historically competed and can compete on a price and quality basis with virtually any farmers in the world if they but have a level playing field. We also have the advantage of cheaper land prices than Americans. That fact alone gives Albertans a

healthy cost advantage. Our regulatory environment has created an advantage too. Alberta farmers are walking into this trade deal with a completely different mind-set from their American counterparts. They've been through some difficult times. They've had to streamline their operations to stay afloat in a sea of falling prices. They've had to become lean and competitive.

Mr. Speaker, just consider for a moment the scenario that prevails in the European Economic Community and the U.S., and our subsidy programs pale beside them. American farmers are not in a similar situation. American farmers have become relaxed by low-quality, high-yielding grains destined for U.S. government payment and storage with no penalty for poor quality. The American Food Security Act, for example, guarantees American farmers this year, 1989, \$133 a tonne, or \$3.38 Canadian for a bushel of barley, and \$180 a tonne, or \$5.76 a bushel, for wheat. These are the target prices. Farmers are guaranteed not less than the loan price, and they receive deficiency payments to make up any difference between the price actually received and the target price. To qualify for government assistance, they must idle 10 percent of their land for both barley and wheat. In other words, that amount must be taken out of production. Because of the acreage entitlement, most farmers are reluctant to switch from one crop to another.

What does this show us about our competitiveness? It shows us that their production is reduced because they have to set aside good land. It shows us that their prices cannot fall below loan prices or else farmers would take interest-free loans and put grain into government storage. It shows us that farmers are not particular about grain quality, because quality is, for the most part, ignored as a payment factor. They don't respond to changing markets quickly. Our farmers work with a grading system that encourages quality. U.S. farmers rely increasingly on governments to solve their problems. More importantly, U.S. grain farmers don't seem to realize that they're insulated from real world markets by loan and target prices. They can't conceive of the prices that we experienced last year. Their attitude tends to be: we will compete with other exporters as soon as prices are high enough. Well, that's really not what competition is all about, not what Canadian farmers have grown accustomed to. They may wake up one morning and find Canadian grain soporific in the American market in a number of grains. There are number of grains that are promising in the American market.

Canola oil may present the greatest short-term potential gain of all oil seeds. Canada is the world's largest producer and exporter of canola, and 44 percent of it is grown in Alberta. Canola has several unique characteristics. It is a nonsubstitutable product with the lowest level of saturated fats of all oils. This appeals to the health conscious, upscale consumer market. Grains 2000, a national policy advisory group, released a report in December that says that canola oil could become the generic name for health oil if we market it well. The declining tariff on canola has been estimated as sufficient to fully offset any increased transportation costs arising from loss of Western Grain Transportation Act subsidies within three years. By the time the tariffs are completely phased out, trade will be increasing by \$7 million annually. We're aware that under the free trade agreement, we are not allowed to put in the western grain transportation benefit on canola going out of the west coast ports.

Oats are another growing market. Ninety-five percent of Canada's oat exports go to the United States, and 40 percent of those oats are made in Alberta. The Canadian share of the U.S.

market has been steadily improving, and Alberta oats are now recognized for their quality. They sell in the health food industry and the racehorse industry; the last three Kentucky Derby winners were fed Alberta oats. And they can now be marketed outside the Canadian Wheat Board.

There are several other specialty crops, such as rye, canary seed, and forage seed, in which the U.S. is our main market. Tariffs impede our trade flow today, but without tariffs under the free trade agreement, we should be looking at ways to expand our American market share.

Mr. Speaker, I've outlined a fair number of opportunities that lie before us, and I'm going to suggest to you that there's more to competitiveness than opportunity. Let me give you some examples to show the factors we have to consider. The state of Texas has a heavily subsidized dairy industry. New Zealand has an unprotected dairy industry. A Texas dairyman moves to New Zealand to take advantage of the life-style but can't cope with the low level of milk prices and is forced to sell out. By the same token, a New Zealand dairyman moves to Texas expecting his ability to produce milk will allow him to make it big in the protected Texas industry. In five years he's forced to sell out. In each of these cases we had farmers who were efficient and competitive at what they did where they did it. But in each case, and they're all real situations, the farmers couldn't adapt to new economic conditions and they failed. The important point to remember is that each farmer was successful before he moved.

Mr. Speaker, we learn to live with the rules and policies which guide our lives and our businesses, and we learn to live with these rules regardless of whether they are good rules or bad rules. When rules change, however, we begin to get into deep trouble. Under the free trade agreement the rules are changing. We've got to re-evaluate if we're going to survive in the new trading climate.

I see five specific barriers that our farmers have to overcome if they want to market aggressively in the United States. Mr. Speaker, you may not agree that each of the points is a barrier to trade, but if you see one of them, just one, inhibiting the ability of our farmers to compete in the United States, then this motion is needed and has a place.

First of all, the method of payment. Last week I sat down with Mr. Ken Beswick, the chairman of the Alberta Grain Commission, and may I just mention that he comes originally from the good constituency of Cardston and brings a wealth of background in farming and education and is certainly doing an excellent job as chairman of the Alberta Grain Commission. He said that day that if there was one thing we could change, it is the method of payment of the Crow benefit. It is absolutely devastating to farmers and to our processing industry.

Let me give you an example to explain how the method of payment of the Crow benefit affects our processors. Suppose a tonne of grain -- we'll say barley -- is worth \$100 in Vancouver. A Cardston farmer pays \$7 to ship it to Vancouver, so he sees it as being worth \$93 in Cardston. The remaining \$23 freight charge is picked up by the federal government. He'll sell it in Cardston for \$93. If the \$23 subsidy was paid to the farmer instead of the railway, the barley would still be worth \$100 in Vancouver and the railway would still get \$30 to ship it, but the grain would be worth only \$70 in Cardston. The farmer would still get \$93 because of the subsidy, but Alberta processors could buy the grain for \$70. Suddenly our processing industry is a lot more competitive. Mr. Speaker, recently the Alberta pool completed a survey, and 71 percent of the respondents

favoured a change in the method of payment; 50 percent of those favoured the pay-the-producer method.

Let me move on. This brings me to the second barrier in Canadian marketing policy: failure to aggressively pursue the processed food market. The method of payment is only one of the impediments to increase value-added processing that we must address. How can it be that a province which produces the finest quality milling wheat durum wheat oats, canola, and barley fails to also have a significant share of the flour, pasta, cereal, and vegetable oil markets? The evidence is overwhelming that Alberta has not taken advantage of her natural resources, educated work force, aggressive business community, and financial capital to capture American and world markets for value-added agricultural products.

I mentioned the Grains 2000 report earlier. The report is called "The Road Not Taken: An Opportunity for Canadian Grains and Meat Industry" is an absolutely damning condemnation of Canada's failure to pursue the value-added processing opportunity in the United States. It concludes that Canadian processors could compete if there was a fundamental change in the emphasis of Canadian agriculture from raw grain production to processing and if trade were liberalized. Trade is being liberalized...

MR. TAYLOR: That's the right word. Wash your mouth out with soap.

MR. ADY: . . . the rest is up to us. I should have chosen better words.

The third thing that I would like to mention that inhibits our opportunity is the lack of plant breeders' rights legislation. It's a barrier to continued competitiveness. Right now it's impossible to patent the development of a new plant variety. The federal government has introduced legislation to give plant breeders this right on more than one occasion, but the Bills have died on the Order Paper. Some say that it's unethical to allow anyone to patent a form of life, but without the right to patent new varieties and collect royalties, Mr. Speaker, there is no incentive to improve varieties or yields, which would in turn improve our competitiveness. As the federal government cracks down on research spending, the need for this incentive is becoming more and more obvious. Perhaps we should consider sending a message to this effect to Ottawa, especially in view of the fact, I understand, that this legislation is again to be brought forward in this session of Parliament.

Mr. Speaker, I've saved my biggest points to the last two points. The fourth barrier I see to market expansion stems from the Canadian Wheat Board. First let me say that I value the existence of the Canadian Wheat Board, and my constituents have told me that they value it. I want to make it clear that it's not the position of the mover of this motion nor is it the position of our side of the House or this government to disband or to pull the teeth of the Canadian Wheat Board. But I do believe that nothing is too good to be improved, and I see several shortcomings in Canadian Wheat Board policy that must be addressed. First of all, the Canadian Wheat Board was seen as a subsidy mechanism by the U.S. negotiators in the free trade agreement instead of the marketing mechanism which we know it to be. That was brought about because, on two occasions in its history, it had made the mistake of offering too high an initial price. And because there's not a mechanism to collect that back from the farmers, the farmers were able to keep that, and it did, in

fact, turn out to be a subsidy. However, that perception has been corrected in the minds of the United States' free trade people, and they're now onside as accepting the Canadian Wheat Board for what it is, strictly a marketing mechanism.

The most stunning of the barriers is the unequal treatment of grain growers across Canada. Why is it that Ontarians can export their grain to the U.S. free of charge and Albertans must pay? When an Ontario farmer wants to export his wheat, he need only swear an affidavit that he produced the wheat in Ontario and he is handed an export permit. So what does he do? He sells his to the United States and buys ours because he can buy it cheaper than he sells his into the American market. For the Alberta farmer and all other farmers under the jurisdiction of the board, the rules are different. The Alberta farmer must sell his grain to the board first, and then buy it back. In selling the grain back to the Alberta farmer, board policy is to raise the price to the level the farmer would have received if he had exported the grain to the U.S. himself, thereby eliminating any opportunities to make a profit. This way the board effectively discourages direct sales to the U.S. and encourages farmers to sell to the board and let the board control exports.

Mr. Speaker, all of that is done with just a paper transaction; the board never touches that grain. All that happens is that the farmer gets the export permit, but he must go through a paper transaction to buy and sell the grain and thereby loses any profit in the transaction. Let me give you an example. Two of my constituents two years ago went into the United States and found themselves a market for their barley; they had an excess of barley. They found that they had over a dollar of profit that could be made. They came back and went to the Canadian Wheat Board to get their export permit. They were told: "You bet you can have your export permit. However, these are the conditions: you have to pay us the difference." And it turned out, coincidentally, to be exactly the amount of their profit. Of course, the deal fell apart; they lost the opportunity and a profit. Mr. Speaker, we have a great example of the dog in the manger. The Canadian Wheat Board could not eat the barley themselves, but they were not about to let anybody else have it.

Ontario, Quebec, the maritimes, and much of B.C. can export their grain when prices are attractive, but prairie farmers cannot. Not only is this policy unfair; it is wasteful. For example, in 1980 export prices were extremely strong, between \$180 and \$200 for a tonne of barley. Transportation capacity was insufficient to meet export demand. Southern Alberta barley growers had an excellent opportunity to truck their barley directly to Montana markets, but Canadian Wheat Board export policy eliminated any possibility of profiting from such a move. So what happened to this huge surplus of barley? It sat in bins in Alberta, unsold and unused, depressing the domestic price of barley rather than earning income for Alberta farmers. American grain exporters don't face a similar barrier. They can export into the Canadian market whenever prices are good and it's beneficial for them.

Flexibility of the Canadian Wheat Board marketing policy is another cause for concern. Canadian Wheat Board exporting policy must be flexible enough to allow Albertans the opportunity to move into the American market. There have been times in the past when we had the grain and the American market demanded the grain, but the Canadian Wheat Board purposely restricted export to the U.S. Why? Because the board feared that if it exported too much, the Americans might invoke section 22 of the U.S. Agricultural Adjustment Act. This Act allowed the

U.S. to put a quota on any Canadian imports that it felt were competing unfairly. And even beyond that, almost to the point of if they just didn't like us, they could put on such a restriction.

Under the free trade agreement we don't have to worry about that section anymore; the agreement revokes this American clause as it applies to Canada. Any accusation of unfair marketing policy now goes to an international dispute settling mechanism. It remains up to the Canadians to ensure that the Canadian Wheat Board takes up this new opportunity to aggressively market our grains in the United States. We no longer have to worry about U.S. farmers seeing two grain trucks or two cattle trucks go down the road past their house, phoning their local congressman or their local Senator, and within a week seeing either a countervail or some other type of quota put on our product going into the United States. We now have a more responsible system under the free trade agreement.

Another Canadian Wheat Board policy which demands a second look is the quota policy. If we are to be competitive, our farmers must be able to maximize their efficiency of production. Right now it doesn't matter how much effort you put into your farm over and above what your neighbour does; you will both be allowed to deliver the same amount of grain to the Canadian Wheat Board; in other words, so many bushels per acre. The Alberta Grain Commission suggests we let farmers deliver a certain percentage of their overall production to the board. This is one option we could consider to encourage maximum growth and minimal waste. Let me give you an example, Mr. Speaker. Two farmers side by side: one has a 10 bushel per acre crop; the other has a 50 bushel per acre crop. The quota comes down at 10 bushels to the acre. The guy who raised 10 bushels to the acre sells all of his crop. The man who is efficient has to put 40 bushels into the bin and worry about moving it. Not much incentive to raise a better crop.

And now my fifth point. The final barrier I want to mention today is the one I see as the most inhibiting; that is, our limited definition of "domestic market." Let me tell you a little bit about the domestic feed grains market. Prior to 1974 all grains were included under the Canadian Wheat Board. It was devastating to the feed grains industry and the processing industry in the west. At that time it was seen fit to put in the domestic feed grains policy, which took certain grains out from underneath the Wheat Board. This allowed farmers to sell their feed grains to feedlots, to their neighbour, to wherever they might find as long as it was into the domestic feed market. Because of that policy that was initiated in 1974, western Canada now uses up 50 percent of the total feed grains grown in the west, a far cry from the small percentage that it was taking prior to that.

Feed grains are the one type of grain that can be sold without a Canadian Wheat Board permit so long as the market is domestic. If we were to extend this market to allow our farmers to trade freely in feed grains throughout the United States and Canada, then farmers could determine the best market for their grain. For one farmer the best market might be Washington; for another farmer it would be the Canadian Wheat Board. Some farmers would still choose to sell their feed grain to the board because of the security of obtaining the initial Canadian Wheat Board price and the security of being able to deliver a quota contracted in advance with the board. Mr. Speaker, what I'm really saying is: let the farmer do what he does best, and the Canadian Wheat Board can do what they do best.

I don't question that the Canadian Wheat Board is the most efficient marketer of feed grains. The board is very effective in

serving mass markets on a cost-efficient basis, but I think the free market is better able to market feed grains effectively. The free market can catch all the small markets the board doesn't even hear about. There might be a market in Shelby, Montana, for 500 tonnes of feed grain. Who would make the board aware of such a small market? It's just too small; they would never become aware. And if the farmer were allowed to move into it, we would have that advantage. Let me say again: let the board continue to sell to markets such as the malting, food processing, milling, and distilling markets in the United States, but let our western Canadian grain farmers move into those markets that they can find for themselves and deliver to and do very well.

Extending the free trade market for feed grains into the United States would also help us take advantage of the processed feed market. There are plans in the United States right now to construct a number of new feed mills. These plans come at a time when we have ample capacity in our own mills to process grains to fill that demand, Mr. Speaker. If we move to fill that demand now, we may very well be able to forestall the construction of those mills and establish a long-standing market. If we don't, we can write that market off as history. The board has not tried to capture this market, but the private sector could do it.

To sum up again, let the prairie grain farmers sell where they can find a market in Canada, and now that we have the opportunity, let them do the same in the United States market. Let's not be our own worst enemy and shoot ourselves in the foot with obstructive regulations.

Mr. Speaker, I've given just a few examples of some of the things that I think could present barriers to greater trade with the United States under the free trade agreement. I'm not asking the members to agree with everything that I've thrown out as a potential barrier. You need not agree that the method of payment for the Crow benefit ought to be changed or that the Canadian Wheat Board policy is detrimental to Alberta's export efforts. The fact that you may disagree with specific suggestions simply reinforces the argument that grain marketing policy must be reviewed and the issue examined, and therefore this motion is necessary.

So, Mr. Speaker, if Alberta grain farmers are to have a fair shot at expanding into the American market under the free trade agreement, we must take a long, hard look at our existing policies. I would ask the members to consider what I've said. I would ask them if, in their eyes, just one of the policies I mentioned presents a barrier to trade. If it does, then I would urge them to support this motion.

Thank you, Mr. Speaker.

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

MR. TAYLOR: Thank you very much, Mr. Speaker. In rising to speak on the motion -- the hon. Member for Cardston has very shrewdly broadly based the motion so that if you were for motherhood and against sin, you could see something very good in it. It was quite a siren call until he started explaining it. Basically, he reminded me a bit of Shakespeare, when someone didn't come to bury Caesar, he just came to praise him. This is the same way with the hon. Member for Cardston; by faint praise he would bury the Canadian Wheat Board. There's no question that the number of embellishments that he suggested would concern us all.

There's no question, though, that everything can be improved on. Certainly his remarks on the Wheat Board, of what is wrong, are true. But the idea of stopping the Wheat Board from doing this or that, particularly in the marketing of our domestic grains or going into the U.S. market, seems to me to be a very draconian solution to the thing, just saying: well, this farmer's going to find a little bit of a market here and a little bit of a market in Wenatchee, Washington, a little bit of a market south of Chicago, maybe a grain mill in Wyoming, and all the wonderful things our farmers will do as they're going down on vacation or on pilgrimages to the southern states in the wintertime.

The fact of the matter is that if the Wheat Board moves out, they will become prey to Cargill and some of the biggest marketing organizations in the world. I think that I could submit quite a good list of reading material to the hon. Member for Cardston of what happened when those little farmers went out looking for markets. The little farmers very quickly found that with a Canadian banker chewing at their rear end on one side and a huge corporation on the other side that was saying what kind of prices they would pay, it was a very unfair match indeed. Consequently, Mr. Speaker, many farmers went down the tube, and the Canadian Wheat Board was nothing more nor less than an effort to try to give the same type of marketing force that General Motors had in farm machinery. The General Motors type of organizations were squeezing the farmer on one side and the Cargills and the large grain market, the Chicago market really, were squeezing the farmer on the other side, whereby you would see grain prices being at rock bottom in October when the farmer needed the money and then high when next May or June came around, and only those that could afford it had stored for the market.

In fact, grain futures and grain gambling and gambling with food prices became de rigueur, or one of the ways to make a fortune. In other words, the primary producer was not making the money out of manipulating the market; it was the manipulators of the market that were making the money out of food. I find something just a bit -- I wouldn't say it should not be allowed, but it certainly should not be encouraged, and one is encouraging that when you disband the Canadian Wheat Board.

But the hon. member is quite right in pointing out a number of things. He mentions the method of payment. Well, to take advantage of the free trade market -- which, by the way, I was not very keen on; it's a rather peculiar argument. [interjection] I've got the honey king of Vegreville offering some advice here, Mr. Speaker, so I just wanted to take a moment; I didn't want to let the moment pass. It seems that the subsidies now paid on honey are so great that the member can spend all his time in the House now rather than out trying to make a living.

To go on from that Mr. Speaker, the hon. Member for Cardston did point out that we have to do something to take advantage of the free trade area of North America, and he points out quite rightly that we have a problem with the method of payment. However, this government has got away for a long time, very much like the Santa Claus story or the Easter egg story -- nobody's ever seen Santa Claus and nobody's ever seen the Easter bunny, and nobody's ever going to see this government's promise of paying every farmer some money. But somehow or another that promise hangs out there. And what I'd like to do is to get them off the Easter bunny and Santa Claus syndrome and get down to actual hard facts. I tried repeatedly to corner the hon. member that's in charge of economic development that

used to front for agriculture -- and Nijinsky was slow on his feet when it came to that -- and then the former hon. member that's also watching from the gallery.

But the point is that it sounds good if you say to the farmer, "Oh, we're going to give you a payment" But then, who's going to get it? Try to pin these people down. Somebody that raises carrots, is he going to get the method of payment, part of the Crow rate? If it's somebody that raises grain, well, it's okay. How about the one that just feeds cattle? How about the guy that just grew hay? For all these people, Mr. Speaker, all these methods of payment that are proposed are nothing more, I think, than a will-o'-the-wisp or a Holy Grail that's presented to the marketers, to the farmers, with the hope that they will vote for the idea.

But I would think, if you use a bit of economic analysis, that any method of payment, whether it's in the form of . . . First of all, just suppose, with the Wisdom of Solomon, that this government was able to come up with a plan of how the method of payment would go out to every farmer and every farmer would be happy. That I would love to see, because as anyone knows who's worked in agriculture, the only thing that two farmers can agree on is what the third should give to charity. This is the same type of thing we would run into when it came to working out a farm policy as to how much money would be up.

But let's suppose we've worked out an annuity or a lump sum payment. It seems very logical that it would go with the price of the land. Why, the land that I own, if somebody had said that there was going to be a \$100,000 lump sum payment, that would just go onto the price of the land. Or if it's an annuity, it would go with the price of the land. So consequently, this idea of paying directly to the farmer, although it does help you get elected each time around, because each farmer has a vision of sugarplums dancing in his head and a possible cheque coming out with a huge amount for the method of payment, Mr. Speaker, the fact of the matter is that whatever he or she raises -- barley or whatever is being subsidized now to reach the foreign market -- is suddenly going to go way down in value, and there has to be a major economic change. So I have my doubts that the method of payment to the farmer will work.

In fact, I would suggest to the government and to the hon. Member for Cardston that if we're going the free trade route -- and perish the thought, I guess we're going to, at least for a few years -- maybe we should be looking at how the American looks at it when we want to harmonize our farm aid with the American system. It would seem to me to be paid out in export subsidies, which is what the Americans do, or in guarantees or loans. And as the member so well pointed out, the Americans don't get this that easily either, because they have to cut back 10 percent of their land acreage, and I don't know whether our farmers are ready to trade the Canadian system of stabilizing income for the American system.

No, I think personally I would like to put on record something I've argued for some years, that this type of money and all the subsidy plans, instead of being product oriented and freight oriented, might be better being rolled into a stabilization of income, much as the unemployment insurance has been rolled in for the industrial worker: a contributory income policy by the farmer and by federal government and provincial government to give an insured -- or "assured" might be the better word -- source of income to the farmer regardless what product is being raised, and trust the farmer's well-known innovation and knowledge and experiments to come up with a variable type of prod-

uct in order to raise his or her income above what that insured rate would be. I'm pleased to see that now all parties, particularly on the federal level, are starting to consider that. So I think this is maybe the way out, rather than the method of payment or whatever goes on there.

Now, as far as processing is concerned, for some years I've been associated with processing plants around the world in different parts, not altogether agricultural; usually in oil and gas and minerals, Mr. Speaker. The big thing one has to worry about whenever one primes the processing pump, you might say, is that the primary producer isn't the one that's expected to subsidize the raw plant. In other words, our plastics industry in Alberta years ago was put in place basically by orchestrating a surplus in Alberta so that the excess natural gas that producers had had to be sold for one-half to one-third price to the so-called petrochemical complexes. That got it under way and going. I have been involved in west Africa, where we were treating peanut oil and where the country literally forced the producers to sell the raw material at cheaper than going rates in order that the processing could take place.

So I'm very, very skeptical of processing on the job. Unless it flies on good old traditional free market economy principles, leave it alone. This government should have testimony to it, and not only this government, other governments. Whether it's lamb plants, alfalfa pellets -- all the weird things we can possibly think of, Mr. Speaker, through the years at one time or another have been subsidized and got under way, and then the only way we can keep them going is either by taking more of the taxpayers' money or asking the producers to deliver at less than what the world market will take.

So I'm with the Member for Cardston. If they'll stand on their own feet, fine, but don't dig in your pocket. Now, this is an awful thing to try to get across to this government in particular, who somehow feel that their guarantees and their money, usually wedded to a large multinational from overseas because, somehow or another, the farther they come and the stranger the language they speak, the more knowledgeable we think they must be. Therefore, we're always quite willing to loan millions or billions in guarantees or loans to these people, whether it's to build a pulp plant or an oil refinery or heavy oil or a plastics plant rather than to our local people who, as they're not coming from that distance, surely can't qualify for the knowledge and attention it should get. But this government has time and time again tried to prime the pump to get water going uphill.

Well, today -- and this is what bothers me about processing, Mr. Speaker, because I have been associated with a number of financial ventures around the world -- the large corporation asks for money from government to help, either in the way of financing or in guarantees, not usually because they can't afford to build a plant themselves or because they are short of cash, but really in order to get the commitment or the involvement, you might say, of the government of the day in the area they're operating in to make sure that the enterprise will fly and will continue to fly. Whether it's too much sulphur in the air that they can overlook, or what's polluting the water too much that they can overlook, or whether it's freight subsidies which they will want to reach foreign markets, all these things are the main reasons why large corporations today try to involve government with them.

It's more or less like the old story of moving in with the landlady's daughter, Mr. Speaker: the best bed in the house, the

best view, and always the first pork chop. So now the multinationals have found this government. And as hard as you cruise the world -- because this is what I did for years, looking for governments that you can co-op and talk into things and impress with the wonders you will do them when you bring in your expertise and your plants, and if they will only put a little money with you, how you will march off hand in hand into the future with a huge income and huge increases in the average per capita income to the country. But the whole idea is to try to involve them and tie them in so that they don't dare let you fail, they don't dare let you go broke down the road. Otherwise, they'll lose an election and lose power. Consequently, you have them tied into you forever. This is one of the things I worry about, and I ask the Member for Cardston to think about when he talks about processing.

The Member for Cardston hit on a very good point, though, when he talked about research and the plant thing. This is where I believe that the agricultural economy can do more than it has been doing, and I think the government could do more than it has in helping farmers to experiment. Somehow or another we can find the money if it's some large pharmacy or organization that comes in and wants to put drugs together, or somebody that wants to make ethanol out of oil and gas rather than out of agricultural products. AOSTRA -- Alberta oil sands technology or whatever; I can't remember the names -- we can find the millions and almost billions to go in there and help. But for an individual farmer that wants to experiment -- and I don't mean with test tubes and all the paraphernalia or computers; just trying on the land to try a new crop, maybe a new marketing technique -- somehow or another the money is not there. And if he or she loses it, they say, "We'll go deduct it from your income tax in the past." But if you come in here with an oddball idea in drugs or in chemicals or in oil or gas, we are a sucker for it; we can dig up the money every time.

I think a lot less money -- I don't know what you'd want to call it. Instead of an Alberta oil sands authority maybe it should be an Alberta farmers' authority that allows the farmer himself to experiment and to try different ideas. We will give research organizations and experimental farms and large multinationals money, but somehow or another we can't take that little step further to let the farmer try out different products on his own hook, because after all, the soils and the climates and the water in Alberta vary very, very much as we move around.

Finally, if I may close, Mr. Speaker, and giving the Member for Cardston a plug for having done some good work and good thinking, I just maintain that he somehow or another sees the Canadian Wheat Board as a bogeyman behind things that is slowing things up. Really, my idea would be to talk to the bogeyman and maybe strengthen it a little bit; maybe we could get it to operate in a wider field. Because I'd rather live with the Canadian Wheat Board, even with Conservative appointments, than I would with Cargill and some of the large food organizations around this world that certainly won't be too easy to move and to handle when it came to handling markets and market pricing.

MR. DEPUTY SPEAKER: The hon. Member for Wainwright.

MR. FISCHER: Thank you, Mr. Speaker. It is my pleasure to rise and wholeheartedly support Motion 202, which urges this government to support a change in grain marketing policy in order to encourage Alberta grain growers to maximize oppor-

tunities under the Canada/U.S. free trade agreement

Mr. Speaker, a change and review in our grain marketing system is long overdue. Our grain policies are slowly but surely choking our industry. I couldn't help but listen to the Member for Westlock-Sturgeon's speech on this topic, and I couldn't help but think that his heart wasn't really in it, because I do know that he knows better, that certainly supply and demand rules the price, and no matter how much governments come to interfere, they don't win out in that. As I've said many times before, if the signing of the free trade agreement does nothing but show Canada how restrictive and harmful our own agriculture policies are, then the agreement would be an invaluable one for our country here.

I would like to just point out that there are over 300 inter-provincial trade barriers here in Canada, and how can any one individual afford the hassle and the paperwork and the time that it takes to do business? They just can't do it. It's easier for Italy to trade into the EEC than it is for us to trade either inter-provincially or to the neighbours to our south.

Free trade with the U.S. has been an issue in western Canada since the first and only reciprocity treaty was signed with the U.S. in 1854. Following the confirmation of that treaty, the prairie provinces, seeing the potential for trade to the south, continued to push for a renewed agreement but faced opposition largely from eastern manufacturing industries. Twice before, in 1891 and again in 1911, elections focused on the issue of free trade with the U.S., but in each case the party supporting free trade lost, and the west's economic development continued to pay that price.

During the '80s a lot of the world trading patterns changed. The EEC continued to highly subsidize their agricultural industry, resulting in dumping on the world markets, and large individual trade blocks were formed. At this time the U.S. deficit began to grow. They never had a trade deficit in their history until the late '70s. It began to increase until it finally reached \$15 billion or \$16 billion a month, and eventually the domestic industry and the political pressure forced the U.S. into protectionism through GATT. Our countervailing duties on hogs, on shakes and shingles men appeared. Many more of those were on the way, and thankfully Canadians recognized the need for free trade and supported the Conservative government in the last federal election.

Since the free trade agreement came into effect on January 1, '89, Alberta farmers have been looking for a clear direction on how they should be structuring and developing their operations to take advantage of the free trade. However, they continue to face obstacles, Mr. Speaker, and these obstacles must be removed. One of the major obstacles, and probably the most difficult to change, is the method of payment of the Crow benefit. After all, the federal government has spent 92 years nurturing, protecting, and expanding a motherhood belief that served this country well for many years, but it eventually grew into a huge subsidy that has caused distortion, disruption, and most of all, trade barriers that retard all agricultural processing and economic diversification here in Alberta.

Since the 1960s, when the negative effects began to surface, governments, industries, and individuals have fought fiercely over this issue. After numerous studies and recommendations the federal government in 1983 passed the Western Grain Transportation Act, and a major aspect of this Act includes the method of payment. The government's decision went against the Gilson report, which recommended payment to the producer

instead of to the railway. Instead, the Crow benefit went to the railway and, as a result, the artificially high farm gate prices encourage and support the export of grain while discriminating against our processing and diversification. It discourages investment, it leads to the export of jobs, and the net result is a loss for Alberta and for western provinces in terms of diversification.

The Crow rate benefit paid to the railways amounts to a penalty of \$23 a tonne to the livestock and processing industry. We have to ask ourselves, for example, why did the canola processing begin or get developed in eastern Canada? When we think of it, they're getting grain shipped down there for what amounted to 13 cents a bushel. We have to ask ourselves why we have two major starch plants in Canada. One is in Montreal and one is in Thunder Bay, and the feedstock all comes from western Canada. We ship our grain down there for 13 cents a bushel, and then we pay full freight rates for our macaroni when we come back west again with it.

We have to also ask ourselves why the cattle feeding industry originally went down to eastern Canada. I can remember a few years back when we used to send our livestock, for higher prices, down to eastern Canada to be fed. I had a cousin down there I went to visit. He had a whole bunch of beautiful Hereford cattle in a pen down there, and he was feeding them Alberta barley. I asked him where he got his cattle from, and they came from Alberta as well. I do wonder what Mohawk's decision would have been on our ethanol plants here if that \$23 a tonne had been removed. Certainly it would have taken up almost all of the difference that it would have taken to be cost-effective.

Alberta's share of the Crow benefit is \$235 million per year. This is \$235 million to distort our natural advantages. Then we turn around and pay out a large share of the western diversification program to offset that distortion. Another example of this is our Alberta Crow offset program. The entire process becomes a series of subsidies offsetting one large detrimental subsidy, amounting to a huge expenditure that makes very, very little sense. Mr. Speaker, we have lost a great many of these industries simply because of the method of payment. The method of payment must be altered. We don't want to be dependent on such volatile world grain prices when we can process our product here at home.

I do believe that this government can approach the federal government and negotiate a change, for many sound economic reasons outlined already and on the basis of our previous dealings with regard to economic interests of other provinces, particularly Quebec. We worked along with Quebec quite strongly during the last election in supporting the free trade agreement. We did co-operate with Quebec and recognized their natural advantage in securing the CF-18 maintenance contract and the Canadian space agency. We've also had a pretty good relationship with Quebec through our oil and gas. Certainly the federal government recognizes the reasonable attitude this province has had in supporting economic development. They do also understand Quebec's opposition to pay the producer. So I think it would be something that we could put together, and it might even take some hard negotiations between our provincial governments and the federal government to work out a change that would be more satisfactory.

I'm sure there are some developments now that are happening to help us get that change. There is one that we're in the process now of developing along with B.C. and the Alberta

Wheat Pool, a proposal that would allow Alberta and B.C. to pay its share of the Crow benefit directly to the producers. Work on this proposal is well under way, and it will be submitted to the federal government in the near future. We are hoping to pressure other governments and the federal government into a decision to change that method of payment. Our original Crow offset program was put in place to help show the other provinces the hurt that the method of payment was doing to our processing industry, and it is having an effect. I believe we are getting closer and closer to making that. It is a political issue that has been very delicate.

One factor that may be most influential in forcing the federal government to change is likely to result from the GATT negotiations and our free trade dealings with the U.S. In the first real test of our ability to defend a payment of the railways, Canada was forced to admit that the Crow benefit payment to the railways for the purpose of moving canola and canola products to the U.S. was an export subsidy, and as a result no such subsidy can be applied as of January 1, 1989. This also is a 10-year phaseout period.

In the GATT negotiations now under way -- and Canada was instrumental in encouraging an agreement that was signed by all of the trading countries to reduce export subsidies -- the Crow benefit was clearly identified as an export subsidy by our competitors and very similar in principle to those that we complain about when referring to the high level of subsidy in the international agriculture trade. So if the current direction of GATT discussions is confirmed in the final GATT agreement, Canada will be forced to do something about its \$700 million subsidy hurt to the western Canada agricultural industry. Mr. Speaker, I think that would be a blessing if that came around that way.

Also, another issue that might help us force it is the fact that the eastern ports are not receiving their normal share of grain down there, and some of the companies that have huge investments have asked the Wheat Board or the Grain Commission to do a study on whether the natural advantages are allowed to work. The results of that report confirm that the trend is not a simple case of overseas buyers preferring to pick up their grain at Vancouver and Prince Rupert, but it confirms that the swing to increased westward movement is being artificially assisted by features of the regulatory and subsidy system under the Western Grain Transportation Act. This study will be the basis for a new campaign by its sponsors to persuade the federal government to change the method of payment, and that could help us quite a little bit in the future.

Our Member for Cardston certainly enlightened us on a lot of the regulation and distortion that some of our grain policies are causing. I would just like to say, Mr. Speaker, that it wouldn't be complete without recognizing the work of Mr. Charlie Mayer who, as the minister of grains and oilseeds, managed to remove the oats from the jurisdiction of the Wheat Board. That eliminated the regulations and barriers that in the past have prevented the free flow of trade both interprovincially and with the U.S. I really believe Mr. Mayer should be complimented on opening up our oat industry and giving the producers an opportunity to market.

Alberta needs to diversify. They want to participate in the expansion of jobs and opportunities that come with diversification. We want the broader economic base and stability that comes with diversification. We want to compete internationally in the livestock business and in the meat business and in the processed food business, and for this reason we will continue in

this province to put pressure on the federal government to change that method of payment. Our present grain marketing policy has robbed Alberta and western Canadian producers of the real natural advantage, and changes to this policy could enable the western agricultural industry to flourish and stop exporting our potential.

I would like to commend the Member for Cardston for introducing this motion, and I'd urge everyone to support Motion 202. Thank you.

MR. FOX: Mr. Speaker, with respect, far be it from anyone on this side of the House to support such a ridiculous motion as the one proposed to the House today.

AN HON. MEMBER: Somebody on that side did though.

MS BARRETT: On the right side.

MR. FOX: With the greatest of respect, I have come to know my colleague from Cardston quite well. I consider him an hon. gentleman who does indeed have the best interests of Alberta producers at heart, and I'm sure it's with the best of intentions that he moves this motion, but I think it bears close scrutiny.

Be it resolved that the Legislative Assembly urge the government to support a change in grain marketing policy which would enable and encourage Alberta grain growers to maximize opportunities under the free trade agreement.

It doesn't specify changes; it refers to "a change." It's precisely that kind of wishy-washy, vague, imprecise language that makes it a real challenge for us in the opposition to scrutinize the government Bills they introduce and try to make sure that any legislation we pass in this Assembly is accurate and enforceable.

We could get into a wide-ranging discussion here this afternoon, as did the Member for Cardston, about a broad range of agricultural initiatives. He talked briefly about the need to make some changes to plant breeders' rights legislation. He talked about the need to enhance the value-added processing sector in agriculture. He talked about the need to make changes to the method of payment of the Crow benefit. We could talk about a number of these things, Mr. Speaker. I think the common thread that runs through all these initiatives -- and I must say I'm flabbergasted at how naive Conservative politicians seem to be, because it doesn't matter what issue they're talking about, it's a panacea. All we need is to change the method of payment of the Crow benefit and the streets in rural Alberta will be paved with gold. All we need is to bring in changes to plant breeders' rights and everything in agriculture will flourish. All we need to do is bring in incentive rates for the transportation of grain and, you know, the sun will shine again in rural Alberta. All we need to do is commit ourselves to a wide-open free trade agreement with the United States and prosperity will be ours.

You know, I think all these simplistic analyses of very complex issues, Mr. Speaker, prevent a rational discussion, a discussion that's needed in the agricultural community on some of these things. But the debate rages on on a number of these things. I hope we have more opportunity to get into plant breeders' rights in this Assembly, because it's crucial for everyone, not just agriculture -- their attempts to privatize gene material. I hope we have a thorough and involved debate on the method of payment, because it's not the panacea this government holds it out to be. I hope we have the opportunity at some point to debate variable rates, incentive rates. This government

wholeheartedly pursued the introduction of variable rates for the transportation of grain, Mr. Speaker, to the jeopardy of hundreds of small rural communities in Alberta, again in their attempts to, I suppose, realign our agricultural systems so they make more sense for the big railways and the multinational grain companies to provide the additional profit these people seem to desire, without any thought for the impact on farmers or the communities they support.

The same is true with rail line abandonment, Mr. Speaker, the branch line abandonment that has been pursued so wholeheartedly under Conservative governments in Edmonton and Ottawa. I've heard an official in the Department of Economic Development and Trade say that it's our, desire to see the cost of transporting grain by rail increased to the point that truck traffic becomes competitive. Well, if that's not upside-down economics, I've never heard any, Mr. Speaker. That's the ridiculous kind of approach this government takes to try and realign the agricultural programs that have been built up over the years in this great country of ours.

What this motion proposes is basically that we make some changes in our systems in Canada to facilitate the free trade agreement; in other words, make whatever changes the Americans require of us under the free trade agreement so we don't run the risk of ever offending our powerful neighbour to the south. I think before getting into that debate, it would be useful to compare very briefly the two systems that have developed over the years in the rural United States and rural western Canada, because they are very different systems. The Canadian system is basically a co-operative system dominated by producer-owned co-operatives that gather grain for a co-operative marketing agency, the Canadian Wheat Board; the American system is dominated by large multinational grain companies, some of them owned only by single families, that do most of their trading on the Chicago Mercantile Exchange, the commodity exchange in the United States: two very different systems. I suppose we could have a debate about which system is better and which is not better, but I think anyone who takes a close look at the realities over the years would have to agree that the Canadian Wheat Board system, indeed the co-operative marketing system of western Canada, has served our farmers one heck of a lot better than the dog-eat-dog system in place in the United States.

I recall my entry into farming, Mr. Speaker, in 1973. Admittedly I was a young lad, but determined to make my living as a farmer, something I did right up until the day I was sent to this Assembly by the voters of Vegreville. I became aware of the kinds of debates that were raging in the rural community. Farming wasn't just producing things. You know, farm political issues are very important in the prairies, and I paid attention. I didn't need to go through the early days of western Canadian agriculture. I didn't need to experience the struggles of the Depression or relive the challenges of our pioneers who attempted to eke out a living when there were so many things going against them. They developed a co-operative marketing system that has stood us in very good stead and served western Canadian farmers very well over the years. I can recall some debates I had with other young farmers who seemed not to understand the history of grain marketing in the prairies and who wanted to return to a commodity exchange driven kind of system, believing they could profit by that system where others had failed. It always seemed to me it's a shame, you know, that we're doomed to repeat the mistakes of the past, to relive the



experiences of our ancestors rather than learn from them.

I recall the story, Mr. Speaker, of the fanner in the Depression years who had a little bit of grain to market. He was able to fill up three cars and ship some oats off to Winnipeg. The friendly people at the commodity exchange, ever happy to receive that grain, sent the man a letter. It said: "We appreciate your grain, but the cost of freight is pretty high. The grain's not worth much. You owe us \$6 for freight. The grain didn't cover it." This farmer, being an honest soul, wanted to honour his commitments and pay that bill. He didn't have any money, so he sent them some geese. He sent them four geese in the hope that that would fulfill his obligation to the Winnipeg Commodity Exchange -- the grain pirates, I'll call them. They wrote back to him and said: "We appreciate the geese. We value them at \$2 apiece. You've sent us one too many. Do you want us to send you the goose or send you two bucks?" He wrote back to them and said: "No, that's okay. I'll just send you another carload of oats and we'll call it square."

I submit that people who were pirates in the early days are pirates today, Mr. Speaker. I take great offence at a system that relies on a commodity exchange approach to marketing grain, because it seems to me the people who deserve the income from the sale of that grain are the people who produced it. The men and women and their families who produced that grain in western Canada are the rightful heirs to the proceeds of the sale. When you've got a commodity exchange based system you introduce a whole other layer of people who are there for one purpose and one purpose only, and that is to profit on the purchase and sale of that commodity. I want to emphasize here, for hon. members who are probably licking their lips at these statements, that I'm a free enterpriser at heart; I appreciate the need to make a profit. As a farmer, I want to make a profit. I want to make a profit, but I was too clever as a farmer to sit back, to stand idly by and watch a bunch of people who had no involvement whatsoever in the production of grain seeking to make a profit off my back. It's a parasitical system and one that we on this side aren't prepared to support.

So the farmers in western Canada established the Canadian Wheat Board, Mr. Speaker. And let's not mince words here; the member's motion is a not too thinly veiled attack on the Canadian Wheat Board. Let's get down to talking about the Canadian Wheat Board. The farmers in western Canada had the wisdom to establish a single-desk selling agency in the interests of competition, but they were smart enough to know how to organize that competition. Rather than having a bunch of farmers running around helter-skelter, competing with each other trying to sell their product to one or two major buyers in the market, they figured, well, let's organize ourselves and get the buyers to come to us and compete to purchase our product. It's still competition, Mr. Speaker, but it's intelligent competition that benefits the producer rather than the parasites. I think that's an important point. I for one would love to see the Canadian Wheat Board in operation if it was run for once by a government that was committed to the principles of orderly marketing, that understood the principles of orderly marketing and believed that the Canadian Wheat Board could work, because that's not been the history of the Canadian Wheat Board. They suffered under the thumb of a Conservative government in Ottawa. They suffered under the thumb of Liberal governments in Ottawa before that who had no better understanding of the principles of orderly marketing.

AN HON. MEMBER: We had Hazen Argue.

MR. FOX: Hazen Argue. We had Otto Lang, and I'm going to tell you, Mr. Speaker, how proud I was to wear a button on my lapel, "Otto Lang is two four-letter words." That's what he meant to us in rural western Canada. I remember hearing Tommy Douglas tell a story about Otto Lang, this minister in charge of the Canadian Wheat Board. I could never figure out how he earned that title; it should have been minister against the Canadian Wheat Board. Soon after he quit he was employed by James Richardson & Sons on the Winnipeg Commodity Exchange, I might add. Dear Otto Lang, flying along in a government jet over Saskatchewan. He got this inspired look on his face, said to his aide, "You know, I betcha if I threw this \$10 bill out the window I'd make one farmer in Saskatchewan happy," and thought, what a clever boy am I. His aide said, "With respect, sir, that is a good idea, but if you threw ten \$1 bills out the window, you'd make ten farmers happy." The pilot, who was a good New Democrat, leaned back and said, "Why don't you jump out and make them all happy?"

The fact is that the Canadian Wheat Board has been an institution that has served western Canadian agriculture and western Canadian communities very well over the years. It's never been run by a government that believed in it or was committed to it, and that's the problem. I'm the first to admit that there are changes that could be made, there are changes that have been made, to improve our co-operative grain marketing system: changes to quota allocations, changes to the allocation of cars, Mr. Speaker, all kinds of changes, changes in the establishment of initial prices and the payment of final payments, changes in the grading regulations. I think it's really positive when members want to come forward and recommend changes to improve the system, but when they come forward and advocate changes that throw the baby out with the bathwater, men I stand in my place and say no way.

I suppose I could support the namby-pamby wording here, "support a change in grain marketing," if this motion didn't mention the much-vaunted free trade agreement. Mr. Speaker, I stood in this Legislature time and time again in 1987 during the debate on free trade, asked questions of the minister and the Premier. We took part in debate, and I pointed out that the free trade agreement had within it many, many potential dangers for Canadian agriculture. They said: "Oh, pooh-pooh, that's not going to happen. There's nothing wrong with the free trade agreement. It's going to be great for Alberta agriculture, because it's going to give us guaranteed access to the U.S. market." You know, the implied remarks were that we don't care about the poultry industry or the dairy industry or the impact on the horticultural industry; we're going to get guaranteed access for red meat products and free trade is great. And the Member for Wainwright talked about the need for the free trade agreement because it would get rid of the tariffs we have on shakes and shingles and hog exports. He should have learned by now that the free trade agreement not only didn't remove any of those tariffs but didn't protect us from the imposition of new tariffs. We've got another duty imposed on processed pork exports to the United States, and the free trade agreement has failed utterly to protect Canadian producers from that. No, Mr. Speaker, the free trade agreement has been an absolute disaster for agriculture, and it will continue to be such.

If we want to talk about processing, given the time, perhaps we should hold that for another debate. But I might refer the

hon. members to the de Grandpré report on the impact of free trade and see what he has in store for the processing industry, see where he describes the need to get rid of the support programs for poultry and any pricing mechanism dairy farmers have been able to use to their advantage to secure their futures. He thinks they should all be gotten rid of so we can build this new processing industry that's going to flourish. Look at the comments of the McCain brothers in Nova Scotia, Mr. Speaker, and you'll see what processors think of the free trade agreement. They realize that if they want to compete with American processors, then they have to get Canadian raw product at rock-bottom price. That's what free trade holds in store for Canadian farmers.

But the U.S. agenda was very clear. In the first place, the free trade document talked about removing the import licence restrictions on wheat, oats, and barley so we could facilitate trade between the two countries. There's an extensive section in the free trade agreement, in case hon. members haven't seen it, that tries to document the relative level of subsidies in both countries, saying that when the relative level of subsidies in both countries is judged to be approximately equal, then the import licence restrictions the Canadian Wheat Board imposes cease to exist. For the life of me, I couldn't understand why they devoted so much time and effort to a section that really offers very little in the way of real opportunity for Canadian producers.

Let's be realistic about it. There are some market opportunities for Canadian grain in the United States: pony oats. You know; the Premier's pony can run in Kentucky and he can eat oats from Alberta. That's great, but that's not enough reason to want to take oats off the Canadian Wheat Board and see the price go down. There are some market opportunities for canola in the United States, some good market opportunities, Mr. Speaker. There are perhaps some limited market opportunities for high-grade Canadian wheat in the United States. But let's be realistic. They produce more than they need; we produce more than we need. The problem facing grain producers in western Canada is not the relative level of subsidy in Canada and the United States as it relates to trade between our two countries. It's the United States subsidizing the heck out of their product on the international market that's hurting us. And they're continuing to do that, in spite of their direct attacks on the Canadian Wheat Board. So the free trade agreement, that proposes an end to the import licence restrictions, has been a real disaster for Canadian agriculture.

The free trade agreement also raises the specter of subsidies on the shipment of canola to the northwestern United States as being subject to countervail. For the first time the government has agreed that the Crow benefit is a transportation subsidy, and that, I submit, makes it vulnerable at the international level. Whether we get a change in the method of payment or not, whether we support a change in the method of payment or not is all going to be by the way, because that benefit Canadian producers have enjoyed, and hopefully will enjoy one way or the other, will fall by the wayside because of the international agenda these governments have committed us to.

What else has free trade done to agriculture? The interest-free advance payments that were provided by the government on loans when farmers are unable to deliver all their grain at one time -- in the fall they were able to take out an interest-free advance, a loan against the delivery of that product. The Canadian government in Ottawa -- and I didn't hear a peep out of these guys -- took away the interest-free provisions of that program,

Mr. Speaker, because the Americans didn't like it. The minister announced, I submit, lower than justified initial payments for some grades of Canadian grain this year because the Americans didn't like it. And the Member for Cardston referred to that. He said that there have been a couple of times in the past when the initial payments given to grain producers have exceeded the overall realized price through the pooling system. The Americans considered a direct subsidy to the producers of Canada when the Canadian government has made up the difference. The Americans don't like it; we'd better get rid of it. So what have we got? Lower than justified initial prices for Canadian grain. You know, it's just been great for agriculture.

Let's talk about two-price wheat, the one system that was in place that guaranteed Canadian grain producers at least a market-driven price return for a portion of their product. They were getting a fair price for their wheat used for milling purposes in Canada. The free trade agreement threw the two-price system out the window. The minister promised to make that up to Canadian producers and hasn't. Free trade, I submit, has been a disaster for Canadians. Tory governments have been a disaster, as far as I'm concerned, for agriculture as well.

But the real motive in this motion is again to try and privatize the Canadian Wheat Board, carry on with the privatization of the Canadian Wheat Board. I might say, Mr. Speaker, it's not something new on the agenda of Conservative governments. Indeed, I remember very clearly when the former Member for Vegreville stood up in the Alberta Legislature on April 7, 1981, and moved the following motion:

Be it resolved that the Legislative Assembly urge the government to consider entering into negotiations with the government of Canada to withdraw Alberta from the Canadian Wheat Board designated area.

Mr. Speaker, the government was a little more forthcoming about their agenda back then, but nonetheless the same agenda, and that's to privatize the Canadian Wheat Board. They've done a number of things over the years that have, I submit, neutered the Canadian Wheat Board, made it more difficult for the board to perform its marketing function, and that function is to provide all grain producers in western Canada relatively equal access to the available market at the best possible price. What's wrong with that, Mr. Speaker? That's what the Board was established to do. That's what we should be helping it to do.

Instead of that, we've got Conservative governments who, as soon as they hear a whimper out of the United States about them not liking the Wheat Board because it gives us an unfair advantage, go out and try and tear the Canadian Wheat Board down. The first step in that process that the Member for Wainwright has the gall to brag about -- Charlie Mayer taking oats off the Canadian Wheat Board, removing oats from the jurisdiction of the Canadian Wheat Board. He did it with the stroke of a pen. You should be ashamed of yourself, hon. member. He did it with the stroke of a pen without consulting any of the major players, Mr. Speaker, and I think that's a shame. The time has got to come for Conservative governments to stop making decisions on behalf of producers and allow producers to decide. I'll ask you, hon. member, did Charlie Mayer consult the Canadian Wheat Board advisory committee? That committee was elected to represent the 142,000 grain growers in western Canada on matters of concern to the Canadian Wheat Board. I participated in those elections and helped some people get elected to that so I could be assured I had good democratic representation to the minister on Wheat Board issues. He never

even consulted them, and that's not only a shame, it's a crime. He didn't consult the pools. He didn't consult a number of major farm organizations, the pools, keystone agricultural producers.

AN HON. MEMBER: Did he consult the Liberals?

MR. FOX: No one consults the Liberals, hon. member.

Keystone agricultural producers, Unifarm, the National Farmers Union -- he didn't even consult the commissioners, the hired help, Mr. Speaker, the people they hired to give them advice on the operation of the Canadian Wheat Board. He didn't even consult them. It was a pathetic decision the minister made on behalf of producers, without letting them decide by way of plebiscite. I should point out to hon. members that Decima Research undertook a poll of western Canadian grain producers, and without exception, in every province in western Canada a majority of producers were deeply offended by Charlie Mayer's arbitrary decision on their behalf and were against his decision to begin privatizing the Canadian Wheat Board by removing oats.

You know, I could point to all sorts of things here, Mr. Speaker: the U.S. National Association of Wheat Growers president saying:

The Canadian Wheat Board gives farmers . . . an unfair advantage in world grain markets.

You know, they don't like the Canadian Wheat Board because it's good for Canadian farmers. That should be a reason for us to embrace the Wheat Board and try and strengthen it, try and make it better.

MR. TAYLOR: Socialists can't raise wheat, though.

MR. FOX: The Liberals can't make up their minds on free trade, and I can appreciate the Member for Westlock-Sturgeon feeling some confusion on this issue. The Liberal Party, you know, supports free trade; he's against free trade. Their position is clear, Mr. Speaker. They're in on this total disruption of the systems that have been built up over a number of years in Canadian agriculture.

I think it's time governments started treating agriculture as an industry that supports people and supports communities, not just something that produces commodities so some people far away can export them and make a profit. You know, what's lacking here is a basic understanding on the part of Conservative governments of the co-operative history of western Canada. This country was built by hardy men and women who were tough enough to compete, who had the stamina to go out there and compete when it came time to produce, to see who could produce the most or produce the best or build the most or build the best, but they also had the wisdom and the patience to co-operate with each other. They knew that the secret of the success of western Canada lay in their ability to join together, work together for the mutual benefit of themselves and their communities. They devised a number of co-operative marketing systems, not just the Canadian Wheat Board but the prairie pools, the credit unions, the farm marketing co-ops. There are a number of institutions that I submit have been the backbone of communities in rural western Canada, and it's a darned shame to see that the governments in power in Edmonton and Ottawa don't understand that co-operative history. To them it's nothing but competition. They don't understand the duality of our his-

tory, and I think it's that failure to understand the past, the realities of the past, that makes it very difficult for this government to cope with the problems of the present and makes it darned near impossible for them to plan with any vision for the future in a way that would really build an agricultural system in this country that works to the benefit of producers, their families, and communities and not just Americans and the free trade agreement.

Mr. Speaker, the implications of this motion are that we go further, that we go further than tearing down the Canadian Wheat Board simply by removing oats. I think the implication is there that we ought to go further, improve, so to speak, on the dual marketing system in place for feed grains and take barley off the Canadian Wheat Board too. I think that's going in the wrong direction. What we should do is restore oats to the Canadian Wheat Board and immediately have a plebiscite of canola producers in western Canada so we can get not only all grains under the jurisdiction of the Canadian Wheat Board but oilseeds as well. If we want to use the argument, hon. member, that oats should be removed from the Wheat Board because it represents a relatively insignificant overall part of Canadian Wheat Board marketing, we could apply that rationale to canola as well and say that because oats is a larger commodity in terms of overall marketing, therefore it should be marketed under the Canadian Wheat Board.

We could say that oats ought to be marketed by the private sector because it would take advantage of niche markets and all this sort of nonsense they throw back at us. I should point out that the Canadian Wheat Board's done a darned good job of marketing oats. They've sold all the oats that farmers have delivered and the price has never been higher. I mean, who would complain about a system that sells all you can produce at the best possible price? The Canadian Wheat Board has managed to do that. They've got single-desk-selling marketing power. They're able to go out and access markets worldwide on behalf of producers.

I think this idea of marketing canola through the Canadian Wheat Board is one that deserves closer scrutiny, and were I Minister of Agriculture, I wouldn't make that decision with the stroke of a pen like Tories do. I'd want a plebiscite of producers to see how they feel. Give producers a chance to decide. They haven't had a chance, hon. Associate Minister of Agriculture, to make a decision on that issue since 1972 or '73 -- I forget which. The time has come to put it to the test and see if farmers are prepared to back Canadian Wheat Board marketing of canola as well. The reason canola has enjoyed some relative success in the international market, I submit, is because of the work of the men and women who, through publicly financed research institutions, have improved the quality and acceptability of that product. They've improved canola to the point where it's gained worldwide acceptance as a top-rate vegetable oil, a healthy product -- the healthy oil I think the member referred to -- and that's why it has enjoyed its success.

[Mr. Speaker in the Chair]

If you want to ask if the private sector has been successful with marketing canola, I think they've been a dismal failure. The price has fluctuated up and down, up and down; you never know what you're going to get. You know one thing for sure: you're never going to get a fair price. You're certainly never going to get the best price. But what's their record in terms of

marketing canola? Were the plants open last winter? The plants weren't open. There were markets. The plants weren't open because everyone was holding out, hoping for a better price. So we had productive capacity shut down in Alberta. We had people willing to work who couldn't. The opportunities to exploit markets elsewhere, I submit, were hampered because we had a system that didn't take advantage of the co-operative principles that built western Canada.

Mr. Speaker, I'm pleased to have had the opportunity to clearly distinguish between the Conservatives and the New Democrats on this issue, and I want to make the point very clear again that we will never submit to policy that tears down the co-operative marketing institutions of western Canada. We are the defenders of orderly marketing in western Canada, we want to be positive about the future for rural Albertans, and we will not have anything to do with a motion like this.

MR. JONSON: Mr. Speaker, I'd just like to offer a few comments on the motion of the Member for Cardston. There's been quite a turn in the debate, with the last speaker, toward concerns for the Canadian Wheat Board, but I think we should get back to some very fundamental things that were briefly touched upon in the introductory remarks of the mover of the motion.

Mr. Speaker, we're experiencing, and have experienced for some time, some fundamental changes in the marketing of grains across the world. If we go back a couple of decades, we might have noted that one of our major customers for grain was India, as it was for a number of other nations in the world. The nation of India is neither an exporter nor an importer of grain at the current time. In addition, we had reference to the European Common Market. The European Common Market at one time was the major customer for coarse grains and for wheat as far as Canada is concerned. That's no longer the case. We went perhaps 10 or 15 years ago through a fundamental change and began to become very dependent upon the Communist bloc: eastern Europe, the Union of Soviet Socialist Republics, and the People's Republic of China. Those areas remain our major market area as far as exports are concerned and in fact, Mr. Speaker, as far as all sales of grain are concerned from Canada.

But the times are changing with respect to the production of those countries as well. We note that China, for instance, is now a major exporter of grains out of its southern regions, and only because of the preference the people of northern China have for our wheat and the uses they have for some of our other coarse grains do they remain a major customer. However, if we were to balance the value of exports and imports as far as China is concerned, they are nearing self-sufficiency in terms of overall grain production.

Now, there's been a great deal of expression in the debate, particularly from members opposite, Mr. Speaker, about the dangers of introducing more flexibility, the dangers of taking advantage of the free trade agreement. Really, I think by so doing we're completely avoiding the reality that is there as far as international grain markets are concerned. Certainly in the future we are going to have to have the effort and the work of the Canadian Wheat Board in terms of the role the hon. Member for Cardston identified as being its rightful one, and that is in terms of continuing to do effective bulk marketing of grains into overseas markets. But given the overall picture as far as the changing production patterns of the world are concerned, if we're going to be able to maintain our level of grain production and our prices, we have to look at every available opportunity in terms

of selling our grain products. Certainly the U.S. market, among others, holds considerable potential. But to take advantage of those markets, there has to be some creativity, some flexibility, introduced into the grain marketing system. I note, for instance, that even the Canadian Wheat Board is recognizing that the times are a-changing and they utilize the services of Cargill in marketing grain into the United States. So there are new inter-relationships; there are things that have to be done to change our whole marketing system. The various members who have entered into the debate I think have outlined a number of items that have to be changed, and we have to deal with the modern times that we're facing.

I'd like to just refer to one example, Mr. Speaker, one that's certainly come to my attention in the constituency I represent. First of all, by way of background I think we have to acknowledge that the farming community is very much aware of the more specialized, more diverse markets we have to be able to access. Secondly, they recognize the importance of -- if at all possible -- more value-added processing within our borders. They find under the present system that there are many barriers, many things which inhibit them exerting their initiative and using their expertise to market a number of grains and grain-related products. The example that is most important currently in the constituency concerns the whole area of marketing oats, that rather humble commodity, at least in years past. It was certainly not on the top of everyone's list in terms of an item that had potential for export and for dramatically increased prices. But I think what's been happening with respect to the production of oats and its marketing is certainly symbolic of what can be accomplished if the general thrust of this motion was followed.

We have certain natural advantages here in Alberta with respect to the production of oats as determined by the quality of our soil, our weather conditions, the skill and knowledge that's been developed within the farming community for this type of production. And there are those opportunities which have been identified for the expansion of oat production and for the marketing of it, particularly into the United States. There's the expanded opportunity to provide feed grain for the cattle but particularly for the equine industry to the south of the border. I know that the former Member for Highwood would certainly support me in the importance of that particular industry. There are the dietary advantages of oats or oat bran, which has caused such a boom in the market for oats, and there are the general milling opportunities that have existed, or should have existed, in this province for some time as far as oat production is concerned.

But within the constituency we have a number of people, not a large number but nevertheless a very energetic and active group of people, who are interested in expanding the market for oats. They know that market exists across the border to the south. They've gone to a great deal of effort to put in place the infrastructure, so to speak, for the cleaning of the oats and the grading and the marketing into the United States, but they find that the red tape, the barriers that are there to getting access to that market and being able to deal directly with the customers who want this high-quality product, are really very, very significant.

Mr. Speaker, as has been indicated in the debate this afternoon, that's just one small example of a whole host of difficulties that present themselves when we want to take advantage of a market -- a market which, I emphasize, if we're going to be

realistic about the future of grain production and marketing we have to be ready to take advantage of. In the debate this afternoon -- I'd just like to refer to it in terms of some of the arguments that have been presented against this motion. There is the alleged threat to the Canadian Wheat Board. A great deal has been read into this particular motion. I do not find in the wording of the motion any reference specifically to the Canadian Wheat Board. Certainly a whole host of other areas of concern have been identified in the debate, and constructive comments have been made and suggestions made as to how these things should be changed in terms of improving our market opportunities.

There's been a great expression of concern about our possible dependency on the U.S. market. Well, as I mentioned in my introductory remarks, if we don't take advantage of the opportunity that is there in the United States market, and if we want to dwell on past history and past practices and procedures as far as grain marketing is concerned, we're going to lose that opportunity. As I indicated, Mr. Speaker, those traditional markets, those that we've depended upon for decades, are changing. There are new demands from those sources, and in some cases quite likely some of those markets could disappear. So we need to take advantage of a market that is there, and I don't think anybody should be looking upon it as a "dependency."

The other objection that seems to have been a thread through some of the remarks directed against this motion is that really -- perhaps as an Assembly but certainly as a province -- we perhaps should not be involved in being concerned about grain marketing. Perhaps this should all be left to the federal government and to the wheat pools or someone; I don't know who. But surely this is a very major issue for the people we represent across this province. The provinces have to be major players; particularly the western provinces have to be major players in determining grain policies.

I think the motion is very appropriate. It has had much more of a negative nature read into it than is at all appropriate, and I think that the positive nature of the motion, the kind of review, the kind of progressive thinking that would result from passing this motion and following it through is something the Assembly should seriously consider. Therefore, Mr. Speaker, I hope the Assembly will pass this motion, which points to the correct direction in terms of future grain marketing.

MR. SPEAKER: Member for Edmonton-Highlands.

MS BARRETT: Thank you, Mr. Speaker. I'd like to participate in this debate briefly as well. I'm an urban person by personal history, but I am aware of some of the concerns shared by farmers, having lived in rural Manitoba for several years, although in a town, and for one year in rural Alberta. I'm aware of the struggle it took to establish the Canadian Wheat Board and the work it took to keep it going and the work it's taken to keep it functioning under the stress that's been caused by the setting up of the parallel system that works to defeat the Canadian Wheat Board overall.

I think some facts here might enlighten some members who believe it's appropriate to support this motion. Now, I would first of all make a principled case that it is nonsense to try to pursue anything because of the so-called free trade agreement with the United States. The principled argument is that Canada will always find itself at the short end of the stick, and our top priority should be to get ourselves out of that deal as fast as we

can before we become the slaves to the masters south of the 49th. That has everything to do with agriculture as well, I would argue. The issue will be that when one of the largest producers in the world, which also carries economic clout in virtually all other industrial sectors, has the ability to flood markets, it will certainly do so and it will be at the expense of Canadians. And I can assure you they won't wave our flag or cry in their beer as they do so.

Now, the other thing I would argue is that the Canadian Wheat Board itself has a right, as do all marketing boards, to be consulted prior to changes being made to any governing legislation -- a fundamental principle which seems to have been overlooked by the minister, Charlie Mayer, in his decision last year to impose on the board the withdrawal of oats from the marketing board's authority. I think there are a few facts that are quite interesting about the board having control over the orderly marketing of and, as a natural extension of that, the supply of grains under its authority. These are facts from the Canadian Wheat Board that I think need to be shared with members of the Assembly.

Obviously, the Canadian Wheat Board price pooling overall, regardless of the individual grain under its authority, gives producers equitable prices. I think my colleague the Member for Vegreville spoke quite eloquently about that. He also referred to the retention of markets. That is assured by the systematic processes of the wheat board in an international market that otherwise is subject to greater fluctuations than any individual farmer could bear were it not for the stability invoked by the board.

But what I didn't know, Mr. Speaker, is that 65 percent of the Canadian Wheat Board oats market is dominated by seven mills. It's called oligopsonistic buying. When you have relatively few numbers of buyers, they are able to collude very often and particularly if they see their chance to make an additional buck. Now, *this* government talks a lot about competition in the private sector. Having been a co-owner of a small business, I'm well aware of the need for fairness in the system, but I'm also well aware of the sharks and the piranhas out there who are either oligopolists or oligopsonists, Mr. Speaker, and what they can do to your ability to survive.

Now, either it is the intention of this government, if it wants to vote in favour of this motion, to ensure that we have relatively fewer family farmers producing and fewer people in rural Alberta or it is the will that the marketplace at least be maintaining some sort of control to prevent collusions, whether it's by buyers or sellers. The collusion I'm concerned about is -- in our day and age we have fewer and fewer buyers of certain commodities. That basically invites collusion, and it invites difficulty unless we have an orderly marketing system such as currently obtains, although has been diluted by successive Liberal and Conservative federal governments.

I would also like to share the following fact: after August 1 of this year it's anticipated by the board that small oats exporters who don't have a country garnering system will have difficulty accessing oats. I think they make a very clear case that they can work in a way that the unregulated marketplace cannot work to protect the small oats exporters.

Now, I believe they make a very good case with respect to the fact that they were not consulted on the withdrawal of the oats from the board. I believe there is speculation that if this trend continues, a change might be the next change, the next hammer, the next chisel, taking away the authority of the board

to market products from Alberta and Canada growers.

I would like to quote from Charlie Mayer. I don't have a date on this quote, I'm afraid, but it is published by the Canadian Wheat Board. He said, regarding canola:

Other grains such as corn, oil seeds and specialty crops, lie outside the marketing jurisdiction of the [Canadian Wheat Board] and trade in open markets through a multitude of private traders.

Now, they counter as recently as January 10, 1989. This is a quote from one of the commissioners on the board, W.H. Smith:

If you want an example of how the open market system can fail to provide a steady delivery, just look at the current shut-down at Prairie Canola crushing plants. The markets are there, the raw seed is out there for them, but it isn't coming in because producers expect higher prices. On the other hand, malting barley houses and oats processing plants, which are served by the Board through a pooling system, are running flat out at a maximum capacity.

Now, if you really do want to argue for fairness in the system, are you going to argue that you have products that you can't sell because the prices aren't coming in, or do you want products that you not only want grown but also sold because you got a price stability factor invoked by the authority of a board? I think this is the issue when it comes to systematic pricing according to what can be obtained and what can be fairly distributed amongst the growers, so that you don't simply have a system where it is to the best advantage of one producer trying to outdo or get behind the rules of the other, the net result of which is fewer producers on the land, a smaller rural population, and in the long run serious economic woes for this country, which has already put itself in jeopardy by having engaged so foolishly in the free trade agreement.

I would urge members to agree with my colleague from Vegreville and defeat this motion, Mr. Speaker.

SOME HON. MEMBERS: Question.

MR. SPEAKER: Question. May the Member for Cardston sum up?

HON. MEMBERS: Agreed.

MR. ADY: Thank you, Mr. Speaker. First of all, let me thank those who have gotten into the debate this afternoon for the good comments they've made, some better than others.

First of all, Mr. Speaker, let me cut through to what to me appears to be the main issue. There appears to be a bogeyman somewhere around here that the hon. Member for Westlock-Sturgeon talked about. I believe he sees either me or the government as the bogeyman, that we want to destroy this Canadian Wheat Board. Furthest thing from our minds. That's not the issue. Let me put it this way: we've had a Conservative government in Ottawa long enough that if that had been their agenda, they could have done it. It would have been done by now, but it hasn't happened. We talk about wanting to do a plebiscite on putting oats back into the Canadian Wheat Board. How about doing a plebiscite on whether we want to reinstate all of the . . .

MR. SPEAKER: Perhaps the hon. member would discuss through the Chair.

MR. ADY: The hon. member would be happy to do that. I'm

sorry, Mr. Speaker.

Perhaps we could have a plebiscite on whether Canadian farmers want to reinstate the old policy of all grains being back under the Wheat Board. Do we want to do away with the domestic feed grain policies that we have? I daresay, Mr. Speaker, that would not pass. That plebiscite would get nowhere. This motion did not call for the demise of the Wheat Board. It did not call for in any way belittling it. What it called for was some minor changes which would enhance the opportunity for western grain growers to sell their grain into some markets that exist in the United States.

I've put forward four main things. Let's reiterate them just briefly. They had to do with the method of payment. How does that do away with the Canadian Wheat Board? The hon. member stood and talked at length about the free trade agreement. What's really on his mind is that he got beat politically. The debate did not go his way. He lost. He's sulking. He hates the free trade agreement and so he wanted to talk about it. Well, Mr. Speaker, the method of payment really doesn't have anything to do with that.

I also talked about the value added. Does that take away from the Canadian Wheat Board? Not at all. Is that something that all of us don't want? Is that what the hon. member was saying, that he doesn't want value-added processing in western Canada so that we can take advantage?

Plant breeders' rights, another suggestion I made. No maganimous thing, just a few minor changes that would enhance an opportunity for western grain farmers to have access to a U.S. market that's there.

SOME HON. MEMBERS: Question.

MR. ADY: Mr. Speaker, one more thing.

MR. SPEAKER: Order in all parts of the House. Thank you.

MR. ADY: The feed grains policy of 1974. When it was brought in, I daresay the ND party was standing on that day saying this is the beginning of the Canadian Wheat Board. We still have it all these years later. It's fine and healthy. None of us are advocating that it meet its demise.

Mr. Speaker, I daresay this motion holds a great deal of benefit for western Canadian grain growers, and so I move Motion 202 today.

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

SOME HON. MEMBERS: Aye.

MR. SPEAKER: 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]

MR. SPEAKER: Order please. Eight minutes is enough time for us to reassemble.

Under Standing Order 32 the Chair points out that every

member remaining in the Chamber must vote on the question being put. No abstentions are allowed in the Chamber.

For the motion:

Adair	Elzinga
Ady	Evans
Anderson	Fischer
Betkowski	Fjordbotten
Black	Fowler
Bogle	Gesell
Bradley	Gogo
Brassard	Horsman
Calahasen	Hyland
Cardinal	Isley
Cherry	Jonson
Clegg	Klein
Day	Kowalski
Dinning	Laing, B.
Drobot	Lund
Elliott	McClellan

Mirosh
Musgrove
Oldring
Payne
Rostad
Schumacher
Severtson
Sparrow
Speaker, R.
Stewart
Tannas
Thurber
Weiss
West
Zarusky

Bruseker
Chumir
Doyle
Ewasiuk
Fox
Gibeault

Martin
McEachern
McInnis
Mitchell
Pashak

Sigurdson
Taylor
Wickman
Woloshyn
Wright

Totals:

Ayes—47

Noes—19

[Motion carried]

MR. GOGO: Mr. Speaker, I move that when the members assemble at 8 p.m., they do so as Committee of Supply.

MR. SPEAKER: On the motion by the Deputy Government House Leader, those in favour, please say aye.

HON. MEMBERS: Aye.

MR. SPEAKER: Opposed, please say no. Motion carries.

Against the motion:

Barrett	Hawkesworth
---------	-------------

Roberts
---------

[The House recessed at 5:39 p.m.]

