

## Legislative Assembly of Alberta

Title: **Tuesday, December 4, 1990 2:30 p.m.**

Date: 90/12/04

[Mr. Speaker in the Chair]

### Prayers

MR. SPEAKER: Let us pray.

O Lord, we give thanks for the bounty of our province: our land, our resources, and our people.

We pledge ourselves to act as good stewards on behalf of all Albertans.

Amen.

### head: Presenting Petitions

MR. McINNIS: Mr. Speaker, I have a petition signed by some 1,500 citizens of Red Deer, Alberta. The petition says:

We the undersigned hereby ask the Alberta Legislative Assembly to increase support for public transit.

MR. SPEAKER: The Chair will examine the petition. This has arisen before in the House. The Chair just mentions to hon. members that it's a bit irregular to be taking petitions from other members' constituencies, but we will still examine it.

### head: Reading and Receiving Petitions

MR. SPEAKER: The Member for Edmonton-Belmont.

MR. SIGURDSON: Thank you, Mr. Speaker. I'd ask the Clerk to read the petition that I tabled in the Legislature yesterday.

CLERK:

To the Honourable, the Legislative Assembly of Alberta, in Legislature assembled. . .

Whereas: residents of north Edmonton have consistently expressed their concern about health care services, particularly emergency services for their community,

Whereas: access to, and the timely delivery of service are vital to the well being of residents of north Edmonton,

The undersigned therefore support the planned redevelopment of the Royal Alexandra Hospital and the allocation of funds by the Provincial Government to allow construction of this important project to proceed in 1991.

### head: Notices of Motions

MR. SPEAKER: The Member for Calgary-Mountain View.

MR. HAWKESWORTH: Thank you, Mr. Speaker. I wish to give verbal notice that pursuant to Standing Order 40 I will move after question period for consideration by the Assembly the following urgent motion relating to meetings tomorrow and Thursday of provincial finance ministers to discuss federal cost-sharing agreements.

Be it resolved that the Alberta Treasurer, in meetings tomorrow and Thursday with other provincial finance ministers, carry the message that Alberta wants to preserve the existing national health care system administered by the provinces with national standards and accessibility and not a system divided into 10 provincial parts, each with its own rules, biases, and limitations.

### head: Introduction of Bills

#### Bill 277

#### Government Open Contract Act

MR. BRUSEKER: Mr. Speaker, I request leave to introduce Bill 277, being the Government Open Contract Act.

The purpose of this Act is to require all government contracts valued at more than \$50,000 to be filled through an open-tender process and all qualifying bids to be published by the government.

[Leave granted; Bill 277 read a first time]

MR. SPEAKER: The Member for Calgary-McKnight.

#### Bill 248

#### An Act to Amend the School Act (No. 2)

MRS. GAGNON: Thank you, Mr. Speaker. I request leave to introduce Bill 248, An Act to Amend the School Act (No 2).

This amendment will ban all user fees and instructional fees in Alberta schools.

[Leave granted; Bill 248 read a first time]

MR. SPEAKER: The Member for Calgary-McKnight.

#### Bill 235

#### An Act to Amend the School Act

MRS. GAGNON: Thank you, Mr. Speaker. I request leave to introduce Bill 235, An Act to Amend the School Act.

Mr. Speaker, this amendment expressly will ban corporal punishment as a means of discipline in all schools in Alberta.

MR. SPEAKER: Thank you.

Hon. members, the Member for Calgary-McKnight has introduced the Bills in the wrong order. Therefore, the one that was given assent for first reading before, Bill 248, will show on the Order Paper as Bill 248, An Act to Amend the School Act (No. 2). The one we are now about to do, if it does indeed receive first reading assent, will be regarded as number one.

[Leave granted; Bill 235 read a first time]

### head: Tabling Returns and Reports

MS BETKOWSKI: Mr. Speaker, I'm pleased to table with the Assembly the following financial statements for the fiscal year ended March 31, 1990: the Alberta Cancer Board, the Glenrose rehabilitation hospital, the Alberta Children's provincial general hospital, Alberta Hospital Ponoka, Alberta Hospital Edmonton, and the Charles Cammell provincial general hospital.

Additionally, I wish to table the annual review of vital statistics for 1989 and the Alberta Hospital Edmonton annual report for the year ended March 31, 1990. Both of these reports have already been distributed to MLAs directly.

Finally, I'm tabling the annual reports for the Alberta Dental Association for the year ended June 30, 1990, the Alberta Registered Dietitians Association for the year ended April 30, 1990, and the College of Physical Therapists of Alberta for the year ended February 28, 1990. Copies of these latter three reports will be distributed to all members.

Thank you, Mr. Speaker.

### head: Introduction of Special Guests

MR. SPEAKER: The Member for Stony Plain.

MR. WOLOSHTYN: Thank you, Mr. Speaker. It gives me great pleasure to introduce to you and through you to the members of the Assembly 50 students from Millgrove elementary school

in the city of Spruce Grove, which is located, as you know, in the Stony Plain constituency. They have been here on an all-day tour of the Legislature to the extent of even having lunch with us. I'd like to welcome all of them when I ask them to rise along with their teachers Terry MacPherson and Kelli Holden. They're so well behaved that they don't have parent chaperons. I'd ask them all to rise and receive our welcome.

MR. SPEAKER: The Member for Calgary-Foothills, followed by Lesser Slave Lake.

MRS. BLACK: Thank you, Mr. Speaker. I'd like to introduce to you and through you to members of the Assembly 27 very bright and energetic students. They're a grade 10 class from St. Francis high school in the riding of Calgary-Foothills. They're accompanied by their teacher Mr. Scott Bryant, and they're seated in the members' gallery. I would ask them to rise and receive the warm welcome of the Assembly.

MR. SPEAKER: The Member for Lesser Slave Lake.

MS CALAHASEN: Thank you, Mr. Speaker. I'm pleased today to introduce to you and members of the Assembly 11 students from the Alberta Vocational Centre in Slave Lake. They're accompanied by their teacher Mr. John Anderson. They are seated in the public gallery. I'd ask them to rise and receive the warm welcome of the Legislative Assembly.

MR. SPEAKER: Edmonton-Jasper Place.

MR. McINNIS: Thank you, Mr. Speaker. It's my pleasure today to introduce Ms Loretta Smith of the city of Red Deer, who's here in support of her interest in a viable, safe, economical, environmentally friendly transit system. She's accompanied today by her friend from Edmonton Deborah Hyshka. I'd like them to rise and receive the warm welcome of the members of the Assembly.

#### head: Oral Question Period

#### Federal/Provincial Fiscal Relations

MS BARRETT: Mr. Speaker, I suppose I shouldn't be surprised to have learned that the provincial finance minister has joined with that other fiscal wizard of conservatism Mel Couvelier in now sponsoring an idea that they want to take to the finance ministers' conference starting tomorrow, which essentially would dismantle Canada's national health care system, as if that's going to solve the fiscal problems that this Treasurer has given Albertans during the last six years. The fiscal problems that this government have are that they don't know how to manage money and they won't tax the rich and the powerful and their corporate buddies. The health care system is not broken, Mr. Speaker. I'd like to ask the Provincial Treasurer how it is that he believes Albertans would trust this government to run a strictly provincially funded and provincially operated health care system.

2:40

MR. JOHNSTON: Well, Mr. Speaker, again I don't know where the member is coming from. Obviously she has not read right the position which the western finance ministers or the western Premiers have taken. There is no recommendation at all that would suggest that we would in this fashion try to operate a separate provincial health care system.

I could go on to say, though, that I think the Minister of Health here and the government certainly have shown that they can operate a very effective health system in this province. There should not be any dispute about that in terms of the level of services and the quantities of dollars that are being provided to the health system here.

I want to go on record specifically as saying that it's not contemplated, nor is it recommended by this government, that we would dismantle the so-called health system as the member has suggested. At least stick to the facts, do your right kind of research, and let's get on with reasonable kinds of questions that might be relevant to some of the long-term problems facing this province.

MS BARRETT: Mr. Speaker, is the Provincial Treasurer saying that he will deny that he has said he would like Alberta to be able to collect its own taxes so that it could get out of national cost-shared programs like education and health care? Will he now deny that on the record?

MR. JOHNSTON: Mr. Speaker, now she's starting to focus a bit more on a reasonable kind of question, and debate could emerge perhaps.

What we have said all along is that it may well be possible to provide more flexibility to link more closely the social and economic objectives of the province of Alberta, ones which have been debated and even partially agreed upon between the various parties in this government, and to use the income tax system to achieve those ends. Now, that's an idea, Mr. Speaker, that should be debated and should be considered in terms of new policy thrusts.

Those are the new ideas that are obviously being generated by this government, Mr. Speaker, far beyond the contemplation of that opposition party across the way. We would like to talk about these opportunities. Now, we've heard them rail about ways in which the lesser income people are not being provided for in terms of either programs or tax systems, and we think it might be a possibility to link these two together through the tax system.

Secondly, Mr. Speaker, there's been a tremendous resistance on behalf of the federal government to talk about the ways in which the province can improve its calculation of the personal income tax system. Should we want to make some adjustments to the income tax system, we have to go through a long process: we have to ask the federal government to agree to the kinds of changes we're recommending and then usually be refused by the federal Finance minister. We don't consider that to be an appropriate response given the kinds of dynamics we're facing ahead in the '90s. We think our own income tax system for the personal side would help a lot of disadvantaged Albertans, allow us to integrate social and economic programs and achieve the kinds of objectives we think are important for this province. As opposed to having to go hat in hand to Ottawa, we think we can make those changes here, and it's worth discussing. The western Premiers have considered it, and now all Premiers considered it in Winnipeg at the last annual Premiers' Conference. Under the direction of the Premiers we're now taking it to the next level of consideration, which is bringing all the finance ministers together to talk about this issue and to talk about ways in which we can save money as governments. Now, that's an important objective as well, Mr. Speaker.

MS BARRETT: Yeah, and I have a few tips for you.

Mr. Speaker, Vander Zalm's so-called economic wizard has developed a document which if adopted by the western finance ministers would constitute nothing less than the complete dismantling of our national health care program, which allows standards to be met interprovincially, portability, and real universal accessibility. Will the finance minister for Alberta declare now that he'll have no part of this nonsense and that he'll stand up for Alberta's continued participation in the national health care program?

MR. JOHNSTON: Mr. Speaker, it looks like the member is prejudging the notice of motion put forward by her colleague which deals essentially with this issue. I won't cite the question with respect to anticipation.

Let me say this, Mr. Speaker: nowhere have we said, and I'll make it very clear, that we're going to dismantle the health care system. The five points which are the conditions and principles of the health care system in Canada have been federally legislated. We're bound by those. We debated those issues somewhere else, and we have accepted the changes.

But surely, Mr. Speaker, when the costs of health care systems and the costs of government generally are now escalating far out of the ability to pay by most governments, it is incumbent upon all people who have a responsible position to select new ideas with respect to saving money, new ideas across a variety of ways. We should improve the services delivered by the government not just in health care but in a broad range of issues. If you don't start meeting those kinds of challenges, surely the debt that other provinces and Canada have now incurred will be the burden that all of us will have to pay in the long generations ahead. It's responsible to try . . .

MR. SPEAKER: Thank you. Thank you, hon. minister.  
Second main question.

MS BARRETT: Mr. Speaker, I'd like to designate that question to the Member for Edmonton-Centre.

### **Mental Health Services**

REV. ROBERTS: Mr. Speaker, it is a very sad and shameful day in Alberta when there are reports of two clients in need of specialized mental health care who are so frustrated and lost in such a fragmented system that they in fact have committed suicide. It is a sad and it is a shameful day when people are dying as a result of this government's refusal to even maintain levels of community health services in this province. I want to ask the Minister of Health today if she will begin to launch a full investigation into this badly fragmented system that has so utterly failed to meet the mental health needs of so many Albertans in the community and in fact has resulted in the death of at least two Albertans.

MS BETKOWSKI: Mr. Speaker, every suicide is a tragedy which I think all members in this House regret. Even though Alberta certainly compares favourably in terms of the psychiatric beds that are available within our province, I believe, as I've said on many occasions in this House, that we can do a better job of the match between the acute care service and the community service and ensuring that we get the best value out of those resources. The review that the hon. member is suggesting is already under way.

REV. ROBERTS: Mr. Speaker, the minister knows as well that she has in fact frozen the level of funding for so many community health services, despite the fact that their caseloads have increased 94 percent or more over the last four years. One key way that they have all proposed to meet so many of the mounting pressures is the development of a crisis centre for Albertans with mental health needs in an emergency, a crisis. Will the Minister of Health then explain today why she in fact pulled the \$500,000 that was targeted in last year's budget to set up a mental health crisis centre, a centre which may well have prevented these unnecessary deaths?

MS BETKOWSKI: Mr. Speaker, I think it's important to separate this discussion from the tragedies which occurred in the sense of the two individuals involved and rather speak about the need to balance the community side and the acute care side.

One of the reasons that I indicated to the hon. member in the first question that the review he was looking for was already under way is that in August of this year I asked the provincial suicidologist, the only one in existence in Canada, to establish a working group to assess and address what we perceive to be a lack of specific policies and procedures in hospital emergency departments regarding the handling of suicidal patients. That review is under way. As well, it's one of the issues that I'll be raising when I meet with the Provincial Advisory Committee on Mental Health Issues later this month. Certainly it's one that we need to look at in terms of emergency services and an appropriate balance between institution and community. As I've said before, when I look at the Premier's Commission on Future Health Care for Albertans and the recommendations in that report, I think the biggest challenge for the health system, and that includes its broadest base, is the role between the institution and the community.

REV. ROBERTS: Mr. Speaker, the last thing we need is any more reviews. The minister knows that a crisis centre was on the books, was planned, \$500,000 had been targeted for it, other money was being assembled, and it could well have prevented these deaths. We don't need to put it out for further review by the provincial suicidologist.

It's clear from all accounts and from all sides that the minister basically has no comprehensive plan. All she talks about is reallocation, reallocation, which I think is a real front for the truth, which is misallocation. Mr. Speaker, if there indeed is any reallocation plan in the works to benefit community mental health services, will the minister outline whether the necessary admission and discharge planning, the necessary vocational and life-style programs, and these necessary crisis centres will be a reality, or will they continue to fall behind with the mismanagement of the misallocated funding of this department?

2:50

MS BETKOWSKI: The hon. member may want to make light of the word "reallocation." In fact, it was he who stood in this Legislature, I believe during the last set of estimates of the Department of Health, to talk about the importance of the move out of and the focus on institutional care and the complementary support of community care. If he's only suggesting, Mr. Speaker, that we continue to add more dollars onto the existing delivery of health services in our province, I for one do not argue for the status quo in that way. Instead, I think we need to look at the better balance between the community and the institutional side. Quite frankly, the only way we're going to get that is if we do a

reallocation and take it out of one and move it towards another to find the balance.

Let's talk about the community health care services available in mental health in this province, Mr. Speaker. I'll list them for you. We have 53 community clinics, 45 traveling clinics, 54 funded agencies – albeit I agree with the hon. member that they have regrettably been kept at a very tight rein over the last little while; hopefully we'll be able to correct that in the coming budget – about 600 beds in general hospitals, a thousand beds in two mental health hospitals, approximately 140 fee-for-service psychiatrists, as well as access to general practitioners. I don't think that is a government that's not responding and looking at the need for community services in this province.

MR. SPEAKER: The leader of the Liberal Party.

### Women's Shelters

MR. DECORE: Thank you. Mr. Speaker, a few days ago the minister responsible for women's shelters in Alberta spoke in glowing terms about how the policy of this government is second to none in Canada in terms of women's shelters. Today our offices were in touch with the women's shelter in St. Paul, Alberta, and I spoke to the mayor and to a senior police officer. We've learned that the crisis centre in St. Paul serves the whole of the northeast area and that there is a very high demand for this centre. We've also learned that the financial difficulty of this centre is so bad that the wages of staff can't even be met as of today nor can telephone bills as of today be met. Now, Mr. Speaker, it's one thing to brag about serving the plight of Albertans and particularly women; it's another thing to do things about it. My first question to the minister is this: given that some \$7 million by way of special warrant was allocated by the minister and his colleagues for upgrading motels and hotels in tourism areas just a short time ago, is the minister prepared to find some money, \$50,000, for the centre in St. Paul and \$30,000 for the one in Whitecourt, which has the similar problem? Find a few thousand dollars and make it possible for women's shelters . . .

MR. SPEAKER: Thank you, hon. member. I'm now up to the third question in this first one.

MR. OLDRING: Well, Mr. Speaker, I'm pleased that the leader of the Liberal Party took the time to phone the crisis centre in St. Paul. I want to advise him that I've had the opportunity of being up there and visiting the crisis centre in St. Paul. As a result of that visit and as a result of some unique circumstances in St. Paul, we went above and beyond a 12-month agreement that we had entered into with that particular association: I was able to provide an additional \$27,000 above and beyond the original commitment.

Mr. Speaker, I'm sorry that, yes, we expect associations to live within their budgets. I'm sorry that they've had some unique problems, but again we've tried to respond to the unique circumstances with some additional funding. There isn't a bottomless pot of gold in Edmonton. They still have to live within the resources that are allocated to us.

MR. DECORE: Mr. Speaker, there isn't a bottomless pit? What nonsense. You've just given \$7 million to hotels and motels for upgrading. This centre needs \$50,000 and Whitecourt needs \$30,000. Find the money. Can you find the money to alleviate the problem for women in rural Alberta?

MR. OLDRING: Mr. Speaker, they ask about priorities and say, "Find the money." Last year we increased our funding commitment to women's shelters in this province by 9 percent, the year before that it was a 24 percent increase, the year before that it was 10 percent, and the year before that it was 30 percent. Substantive, Mr. Speaker. Substantive.

We recognize that there are some needs out there, and we're working with the community to respond to those needs. We have demonstrated that with the dollars that we've established in the past. We've clearly made it a priority at a time of restraint. Again I remind the member opposite that we funded an additional six new satellite agencies in northern Alberta. For the most part they're living within their budgets, they're meeting the needs within their budgets, and they're not coming back for additional funds.

MR. DECORE: Mr. Speaker, it is generally accepted that, although not perfect, the funding for urban shelters is better than the funding for the satellite centres. I'd like the minister to answer this: why is it that rural Alberta women are treated as second-class citizens when it comes to looking after their interests and their concerns?

MR. OLDRING: Again, Mr. Speaker, the comments are not accurate. It's not accurate to suggest that we're ignoring rural women when I just told the hon. member that we provided additional funding for six new satellite offices that weren't there a year ago. They weren't there. Thanks to the commitment of this government at a time of restraint we found those additional dollars, because we saw the need in rural Alberta. We responded, and we're going to continue to respond.

MR. SPEAKER: Thank you.  
Lloydminster.

### General Agreement on Tariffs and Trade

MR. CHERRY: Thank you, Mr. Speaker. In view of the GATT negotiations going on this week in Brussels and the prominence of agricultural issues and further that the Deputy Premier, intergovernmental affairs minister, is attending the said meetings, could the Associate Minister of Agriculture enlighten the members of the Assembly and our agriculture producers in the province on any positive moves that are being made to rid our farmers of these subsidies that are crippling the agricultural sector in the province?

MRS. McCLELLAN: Mr. Speaker, the member outlines a very serious concern to our agricultural community. I think each of our members understands that export trade is key to the agricultural industry in western Canada, and particularly in Alberta.

The discussions in Brussels, I regret to inform you, are not proceeding as we would like to see them. The European community seems to have really reached an impasse with the United States negotiators and do not appear to be in any mood at the moment to move forward. As the member would know, the European community put forth a position of reduction of subsidies of 30 percent over a period of 10 years, but unfortunately that was retroactive to 1986. Canada is calling for the total elimination of export subsidies and a 50 percent reduction of internal support subsidies, so we're very concerned about what is occurring. It is our understanding in discussions with our people there that there will be meetings tomorrow, and we are

hopeful that this will bring some movement, particularly from the European community.

MR. CHERRY: Supplementary, Mr. Speaker. I like to stay as positive as possible, so the question to the minister would be: in the view that the GATT negotiations do fail, have there been any talks with the federal government and ourselves regarding the issue of the farmer's plight and a better income from the farm?

MRS. McCLELLAN: Well, Mr. Speaker, we like to be very positive about it too. In our discussions with our federal and other provincial ministers our hope is that these GATT talks do not fail. The deadline that is set at this point is December 7. We feel confident that the negotiators on all sides will see the need for some resolution to this problem. Certainly in our discussions we do talk about the future of agriculture and what might occur over the next few months, but at the present time our aim is a successful resolution and some movement from the EEC in particular.

3:00

MR. SPEAKER: Calgary-Forest Lawn.

#### **Hazardous Waste Sites**

MR. PASHAK: Thank you, Mr. Speaker. As all Calgarians know, the Bow River has long been under threat from toxic chemicals leaking into its waters. The most serious threat at the moment comes from chemical pollutants leaking into the river from an abandoned creosote plant on the west side of the downtown. My question is to the Minister of the Environment. Given that the minister has stated publicly that the cost of the creosote cleanup has escalated to \$11 million, will the minister now make a commitment to Calgarians and to downstream users to quickly and thoroughly clean up these pollutants despite the increased cost?

MR. KLEIN: Mr. Speaker, the cost was originally estimated to be \$9 million. That was about a year and a half, two years ago, and with normal escalation one can assume that it's up over \$10 million right now. The simple fact is that this was caused by the environmental irresponsibility of some people 50 or 60 years ago. It's precisely the kind of thing we're trying to remedy through the new environmental protection and enhancement Act, where it's proposed that people who pollute today or who have the potential of polluting today will be made to pay 25 or 30 or 40 years down the road.

This is a tremendous cost that will have to be borne by the taxpayers of this province. This site is termed an orphan site. We have decided as a government that since we can't pin the responsibility for this pollution on any one party because the family has since died or moved to other parts of the country and perhaps the world, this is going to have to be a cost to the taxpayer. Yes, we will do whatever it takes and spend whatever it takes to clean up this severely contaminated spot, because it is our responsibility as a government. We hope to prevent, through new legislation, this kind of thing from happening in the future.

MR. SPEAKER: Supplementary, Calgary-Forest Lawn.

MR. PASHAK: Thank you, Mr. Speaker. But the minister didn't tell us when he plans to do this, and it should be done immediately to protect Albertans.

In fact, Albertans are getting tired of being forced to pick up the tab for expensive cleanups of environmentally hazardous sites while polluters get off scot-free. My question to the Minister of the Environment is: given that this government has to spend millions of taxpayers' dollars cleaning up these abandoned sites and given that this should really be paid for by generations of polluters, why doesn't this minister get tough with polluters by requiring them to pay into an environmental cleanup fund today which then could be used to reclaim these abandoned sites?

MR. KLEIN: Mr. Speaker, I don't know if the hon. member is deaf or just simply can't comprehend or simply won't listen; it could be a combination of all three. First of all, he's probably a little bit blind too, because had he been walking along the Bow River lately, he would have seen a tremendous amount of work taking place there. There are berms, there are dikes, and there's machinery on the site. We are in fact doing what we have to do to make sure that this problem is cleaned up.

The problem quite simply, Mr. Speaker, is that this is creosote that was deposited there many, many years ago. We have to determine how this stuff is moving, how much is in the ground. Then we have to determine how we're going to take it out of the ground safely. We're going to have to make sure that we don't disturb it so that it won't leach up and into the river, causing even further problems. All these things are being done right now. I hope the hon. member is listening this time. Have you got your ears open now? I'm going to say it once more: what we are now putting in place is legislation that will in fact make polluters responsible 20 or 30 or 40 years down the road.

MR. SPEAKER: Thank you.  
Westlock-Sturgeon.

#### **Agricultural Development Corporation**

MR. TAYLOR: Thank you, Mr. Speaker. My question today is to the associate minister, although it stems from the Premier and his cabinet, who are fond of saying how much they want to encourage the family and love the family farm while in effect are throwing up roadblocks and certainly downgrading the farm housewife. For instance, three years ago I pointed out to the then Minister of Agriculture that a man and his girlfriend in partnership on a farm could qualify for up to \$200,000 each in loans from ADC, but a man and his wife: no dice. What I'd like to take to the minister is the question – she has personally been a farm wife for some time – how does she feel about the fact that even a man and his boyfriend living together can qualify for double the amount of money from ADC that a man and his wife do?

MRS. McCLELLAN: I must have missed something there. Mr. Speaker, I don't know whether the hon. member is asking me for a personal opinion, which I don't think is within my portfolio to answer. I think what the hon. member is referring to is the Agricultural Development Corporation policy on lending. The lending is to a farm unit. That is reflected in that policy as a man and wife in a farm unit. That is the discussion, and that's as far as I would answer.

MR. TAYLOR: Mr. Speaker, obviously she's correct, but the point is that a man and his wife are considered one unit, a man and his boyfriend can be considered two units, and a man and

his son can be considered two units. But a man and his wife is only considered one in a partnership.

Therefore, I'd like to put the supplemental to the minister responsible for women. Will she take the two ministers of Agriculture out to the woodshed, tell them all about the birds and the bees, and tell them that they are discriminating against housewives by not allowing them to qualify for a partnership?

MS MCCOY: I would be delighted to discuss birds and bees with at least one of the ministers. [laughter]

### Highway 56

MR. MUSGROVE: Mr. Speaker, those kinds of questions are hard to follow.

My question is to the Minister of Transportation and Utilities, and it has to do with Highway 56. The designed route of Highway 56 is from Camrose to Coaldale . . .

MR. DECORE: Is that a secondary road? You're going to pave them all anyway.

MR. MUSGROVE: No.

MR. SPEAKER: Order.

MR. MUSGROVE: It's almost all surfaced . . . [interjections]

MR. SPEAKER: Thank you, hon. member. Just half a moment. I draw attention to all members of the House that what happened at the end of question period yesterday can happen sooner today.

Bow Valley.

MR. MUSGROVE: Thank you, Mr. Speaker. The proposed route is almost all surfaced, except for a short distance south of Bassano. The question to the minister is: has he any plans in the near future to finish this direct route from north to south Alberta?

MR. ADAIR: Mr. Speaker, Highway 56 goes from Highway 13 at Camrose down to the Trans-Canada and ends there. The road alignment that could be an extension of Highway 56 traverses the Blackfoot Indian reserve. Chief Strator Crowfoot and our people in transportation have been working with their council for some time on a process which may provide us with that right-of-way.

As a matter of fact, 901, which is a secondary road – it's got three numbers in it: nine, oh, one. That is working by way of a referendum that will probably be in January after the council has heard that and he takes it to his people. That same process will be used for the possible right-of-way across the Blackfoot reserve. Barring that, we'll have to look at other alternatives.

MR. MUSGROVE: Mr. Speaker, I understand that part of the financial problem caused by this is a bridge across the Bow River. Would it be possible, by putting some improvements out, to use the Bassano dam as a bridge across the Bow River?

3:10

MR. ADAIR: Mr. Speaker, if I'm talking about the alignment straight south of the Trans-Canada – and I'm not saying this facetiously – it's probably cheaper to build a bridge than move the dam, but if we're looking at alternatives, that would be one that may be considered after we finish the negotiations. We're

a fair distance down the road – and I think I should point that out – in working with Chief Crowfoot and his council relative to the possibility of getting access straight through. That would then join up with 845 just north of Lomond. That would be the ideal situation. If that doesn't work, we've got to look and we are looking at alternatives as well.

### Three Sisters Golf Resorts Inc.

MR. DOYLE: Mr. Speaker, this government recently approved a whole raft of funding by special warrants for tourism projects. One of these projects funded by the special warrants was the proposed Three Sisters golf resort near Canmore, which received \$100,000 to do a feasibility study. The Alberta Wilderness Association and many other environmental groups say that this would cause irreparable harm to critical wildlife habitat in the Wynd valley area east of Canmore. Can the Minister of Tourism tell me how this government can justify putting taxpayers' money into a project like the Three Sisters golf resort before there's even been an assessment done on the environmental impact?

MR. SPARROW: Mr. Speaker, this project did receive funding through the Canada/Alberta tourism agreement, which we mentioned earlier. Applications ended in March of last year. There was a section of that agreement that did have the capability of helping proponents throughout Alberta do feasibility studies to look at viable, sustainable development throughout the province, and they received a grant to do so.

I'd like to also inform the hon. member that many other projects in this province are being assisted in a similar way through that program, and it was classified as a very successful program to make sure all of the facts were on the table when decision-makers looked at those projects.

MR. DOYLE: Mr. Speaker, the directors and shareholders of the Three Sisters Golf Resorts reads like who's who of the Conservative Party. I'd like to ask the Minister of Tourism: given that of the five major tourism resort proposals in the Canmore area only the proposed Three Sisters resort received funding from the Canada/Alberta tourism agreement just prior to its expiring and given that this company is well connected to the government, how can the minister justify this apparent favouritism shown by the Conservative government to the proposed Three Sisters project?

MR. SPARROW: Mr. Speaker, the preamble to his question really does deserve some consideration. As to his facts, he'd better get them straight. The Three Sisters project along with many others went through a very diligent process to receive funds. Under the Canada/Alberta tourism agreement, the federal department of tourism and my Department of Tourism had a management committee that looked at all decisions. The inference that has been made really should be retracted. I'm sure if he wants to talk to either my deputy minister or the deputy minister that was involved at the federal level, they would take offence to his comments.

MR. SPEAKER: Edmonton-Calder, followed by Calgary-North West.

### Social Assistance Policy

MS MJOLNESS: Thank you, Mr. Speaker. My questions are to the Minister of Family and Social Services. The social reform

package seems more and more to be simply a move to privatize services within the department. Private companies will be delivering everything from counseling services to job readiness. Now we find out that the government is going to send social allowance recipients to private, for-profit schools at taxpayers' expense. In view of the fact that job readiness programs are currently delivered in our public postsecondary institutions and have been underfunded, will the minister admit that he is not concerned about the well-being of people on social assistance and their families and is using his social reform package as an opportunity to privatize and provide profits for his government's business buddies?

MR. OLDRING: Mr. Speaker, what utter nonsense. I really regret that the member opposite can't stop to put the client first. That's what this government is doing. What we have said through our supports to independence program is that it's very important for them to get the necessary help and support to get back into the mainstream of society again. We recognize that as a result of these changes we're going to have to make some other opportunities available for them to be able to get that necessary support.

I'm working very closely with my colleagues the Minister for Career Development and Employment – and he might want to supplement my answer – and the Minister of Advanced Education. But, Mr. Speaker, let me make it perfectly clear that we intend to explore every option to be able to help those individuals get the kind of help they want to get back into the mainstream of society again, and I would think that member would applaud those kinds of initiatives.

MS MJOLSNESS: A supplementary, Mr. Speaker. I always find this minister's answers quite interesting, because yesterday the social services appeal committee notified a man and his family that he will be cut off social assistance even though he is eager to go into training and upgrading. I would ask the minister this: why does this minister not make a sincere effort to improve the system that prevents people from getting off social assistance instead of concentrating on providing opportunities and profit for his friends in the business community?

MR. OLDRING: Mr. Speaker, again, "why does this minister not make a sincere effort?" This government has just committed another \$61 million, and we have just added another 122 positions in this department alone to respond to those kinds of needs. For the member to bring up a specific case – I'd be interested in seeing it. She knows that we can't, due to client confidentiality, address specific situations, but the member herself referenced the appeal process that we have in place in this province. It's a very fair process that says that if an individual isn't happy with the treatment they're receiving through their case workers, through an office, through a supervisor, through a manager, if they're not happy with the decision of government, they have a right to appeal it to an independent body of caring Alberta citizens that can evaluate it on a fair and objective basis and make sure that person has been treated appropriately. I can't think of anything fairer.

MR. SPEAKER: Calgary-North West.

#### Trade Certification

MR. BRUSEKER: Thank you, Mr. Speaker. The department of career development has produced a discussion paper on the

training and certification of Alberta's skilled work force, and this proposes vast changes in apprenticeship training and certification in a variety of trades. Now, all – and I emphasize all – of the trades to whom I have spoken have expressed both concern and opposition to this proposed legislation. My question to the minister today: how does the minister propose to address the safety concerns that arise as a result of the watering down of some of the compulsory trades that are proposed?

MR. WEISS: Well, Mr. Speaker, in response to the hon. member's question, I appreciate that he did indicate that there is a discussion paper, and a discussion paper is exactly that. It's sent out to receive and solicit input from all sides, both industry and labour, in particular. I recently met with various representatives, as recently as last Friday, some 50 to 60 representatives from various trade unions, to try and allay some of the fears that the hon. member and perhaps others may have wished to implant. There's certainly no attempt to deregulate or take away any of the safety components. I particularly wish to say that as a result of the discussion paper we'll be analyzing all areas of concern. We'll take that input and would anticipate that in the spring session we would then come forth with the legislation.

MR. BRUSEKER: Mr. Speaker, my supplementary question is regarding the certification boards themselves. Currently the certification boards are created by the industry. The proposal is that government will be providing the membership. My question to the minister is: which of the government's friends have not yet been appointed to boards that can justify the kind of changes from the individually appointed boards to "people who are knowledgeable with respect to the needs of . . . training and trades"?

MR. WEISS: Well, Mr. Speaker, I don't know of any government friends that have been appointed to the board. [interjections] First of all, may I indicate to the hon. members who maybe aren't necessarily prepared to listen . . . [interjections] I would like to try and respond to the question. There was general notice sent out through the media to submit nominations. I believe some 221 was the exact number received. I then sat down as the minister responsible, working with the advisory board and others, to try and come up with what would be a geographical mix as well as some gender concerns, to select a board which represents the needs of both sides and get that balance. I believe we have that in the board that's being represented today.

#### 3:20 Advanced Education Funding

MRS. GAGNON: Mr. Speaker, the funding crisis in Advanced Education in this province seems to be worsening on a daily basis. Not only has this funding crunch caused faculty burnout, large classes, a decline in quality, and forced universities and colleges to close their doors to qualified students, but it has led the institutions to acquire significant deficits. Already the U of A is predicting a deficit of 10 and a half million dollars, while Red Deer College has a deficit of \$900,000. My question to the Minister of Advanced Education is this: given that since Mr. Getty became Premier this government's operating budget commitment to Advanced Education has declined by over 13.5 percent when adjusted for inflation, what are you doing to stop this slow torture of Alberta's postsecondary system?

MR. DECORE: Go to the private sector. Right, John?

MR. SPEAKER: Order, please, so the minister can at least get started.

MR. DECORE: Well, he was thinking there.

MR. SPEAKER: Thank you, hon. member. Button it up, please. Thank you.

The Minister of Advanced Education.

MR. GOGO: Mr. Speaker, as the hon. member knows, for what it's worth, if one looks across the whole spectrum of Canada in terms of funding of postsecondary institutions, Alberta has nothing at all to be ashamed of. Whether or not the institutions, which I might add are self-governing and board governed, can manage within those resources to a very great extent is frankly up to them. We as a government have determined that the budget shall be balanced by 1991-92, and we are expecting all parts and all segments of our society to share in that. Although I'm well aware that the institutions are facing some difficulties, I would ask their co-operation in getting the best value for their money in terms of the allocation or reallocation of their resources.

I just close off by saying that it's my view that the tuition fee question is under review. Most people are of the view that additional resources could be obtained from tuition fees, and we'll certainly bear that in mind as we approach the 1991 budget.

MRS. GAGNON: Mr. Speaker, even if tuition fees were raised to cover the actual cost per student, they would never make up for the inflationary factors and the deficit that the advanced education system is living with.

The plight of Advanced Education is not limited just to operating budgets. Computer labs, libraries, and furniture replacement is currently being funded at a rate where it'll take 33 years to replace them. My question to the minister is this: why doesn't the minister influence his government so that they treat Advanced Education as well as they recently treated Education, which got \$700 million for capital expenditures?

MR. GOGO: Well, Mr. Speaker, I would point out that in the current year's budget there is some \$32 million which is to be used for what we call capital formula funding; that's equipment, replacement of furniture, and so on. I just want to correct the hon. member the bricks and mortar portion has a life span of 35 years, but equipment has a life span of 10 years. I'm well aware and I've made it my priority to try and obtain additional funds to replace equipment in the institutions, which is not wearing out but in fact is a victim of obsolescence.

#### **Francis the Pig**

MR. DAY: Mr. Speaker, my question is to the Associate Minister of Agriculture. For the past several months an ongoing saga in the Red Deer area has captured national and international attention. I'm referring, of course, to the flight to freedom and the ensuing tragic demise of Francis the pig. Even school children from Red Deer and around the province have written letters of support for Francis. I think it's fair to say that he's been an example for all of us of our own province's motto: strong and free. My question to the minister: given that Francis has displayed not only remarkable courage and ingenuity but also the incredible strength of the genetic pool of the Alberta hog industry, will the minister consider an application

from friends of Francis for him to be admitted to the Alberta Agriculture Hall of Fame?

MR. SPEAKER: Question period is at an end. Might we revert briefly to the Introduction of Special Guests?

HON. MEMBERS: Agreed.

MR. SPEAKER: Opposed? Thank you.

The Minister of Public Works, Supply and Services, followed by Westlock-Sturgeon.

#### **head: Introduction of Special Guests (reversion)**

MR. KOWALSKI: Thank you very much, Mr. Speaker. Words such as courteous, intelligent, effervescent, dynamic, and accomplished are only a few of the many words that can be used to describe 68 young people, grade 10 students, from the very famous Canadian high school Lorne Jenken senior high school in Barrhead. These young people are sitting in both the members' and the public galleries, and they are accompanied by three teachers including vice-principal Mr. Spence Moon, teacher Mrs. Ruth Böhn, and teacher Mr. Merlin Flock. I'd ask these young people and their teachers to rise and receive the warm welcome of all of my colleagues here in this Legislative Assembly.

MR. SPEAKER: The Member for Westlock-Sturgeon.

MR. TAYLOR: Thank you, Mr. Speaker. I'd like to present a petition to the Legislative Assembly, which you've been kind enough to vet and okay ahead of time. It reads: we the undersigned residents of the town and district of Westlock hereby request the Legislative Assembly to urge the government of Alberta to move ahead with the construction of the new Immaculata hospital as swiftly as possible, as the land for the project . . .

#### **Speaker's Ruling Sequence of Business**

MR. SPEAKER: Order. Order. Hon. member, this is not the time for the reading of these kinds of things. A note was sent to me that you wanted to introduce special guests, and if you're now doing this operation, we would have to have unanimous consent of the House to revert. [interjections] No. Order. Order. Sorry. If it says on there "petition," then I apologize. In the flurry of notes that get sent to me in the middle of question period . . . I'm sorry. It will have to take place tomorrow afternoon, hon. member. I apologize for the mix-up. Thank you.

[Mr. Deputy Speaker in the Chair]

#### **head: Motions under Standing Order 40**

MR. DEPUTY SPEAKER: The hon. Member for Calgary-Mountain View.

#### **Health Care System**

Mr. Hawkesworth:

Be it resolved that the Alberta Treasurer, in meetings tomorrow and Thursday with other provincial finance ministers, carry the message that Alberta wants to preserve



the existing national health care system administered by the provinces with national standards and accessibility and not a system divided into 10 provincial parts, each with its own rules, biases, and limitations.

MR. HAWKESWORTH: Thank you, Mr. Speaker. I and my colleagues on this side of the House consider it to be a matter of urgent and pressing necessity to rescue Alberta's health care system from the axe-wielding, neo-Conservative agenda that is attempting to undermine our health care system. The minister of finance for the province of British Columbia has circulated a paper that would indicate that discussions tomorrow and the next day are going to revolve around the notion that the provinces would disentangle from the federal government in areas of health care funding; in essence, that the federal government would get out of health care funding and turn over greater taxing room to the provinces.

So the proposal doesn't mean lower taxes. It doesn't necessarily mean lower deficits either, Mr. Speaker. It means that it would allow the provinces to tax directly for medicare costs. And make no mistake; they could set up user fees and set in place two tiers of medical care: one for the rich, who could privately afford good quality care, and another for ordinary Albertans, who couldn't.

Mr. Speaker, what's prompting this is some infatuation apparently with the American system of health care. I would like to remind all members of this Legislature that in the United States they spend 11 percent of their gross national product on health care, and 37 million Americans are without any kind of health care insurance whatsoever. In Canada, on the other hand, we spend 9 percent of our gross national product, less than the Americans, and 100 percent of Canadians have full health care coverage.

The government talks about the crisis of financing the health care system, but they don't talk about the family crises that arise, the financial disasters that can befall ordinary families when a member becomes seriously ill in the United States. The Provincial Treasurer indicated in question period . . .

#### **Speaker's Ruling Relevance**

MR. DEPUTY SPEAKER: Order please. The hon. member is going beyond what rule 40 says. He's supposed to concisely say why this is such an urgent and pressing necessity, and then the Assembly is to be asked whether there's unanimous consent. The hon. member has had plenty of time to express the urgency of this and not detail the nature of our programs.

3:30

MR. HAWKESWORTH: Thank you, Mr. Speaker.

Ordinary Alberta families and senior citizens want to know when the Provincial Treasurer . . .

MR. DEPUTY SPEAKER: Order, hon. member. [interjections] Order please. The Chair did not give the hon. member the floor to continue reading his prepared text. His prepared text was too long. Now, does the member have any reason to say why the Assembly should on an urgent basis give unanimous consent?

#### **Debate Continued**

MR. HAWKESWORTH: Mr. Speaker, addressing the urgent and pressing importance of this particular motion today, ordinary Alberta families want to know: when the Provincial Treasurer

goes to those meetings tomorrow and the next day with other provincial finance ministers, will he be bargaining away our health care system? If we adopt this motion . . .

MR. DEPUTY SPEAKER: Order please. The hon. member has asked the question and stated the reasons. Is there unanimous consent in the Assembly to proceed with this motion?

SOME HON. MEMBERS: No.

### **Orders of the Day**

#### **head: Written Questions**

MR. GOGO: Mr. Speaker, I move that the written questions appearing on today's Order Paper stand and retain their places, except for Written Question 392.

(Motion carried)

#### **Kananaskis Country Golf Course**

392. Mr. Chumir asked the government the following question:

- (1) What was the revenue received by the government for the leasing of Kananaskis Country Golf Course for each fiscal year from the original date it was leased to the present, and how was it calculated?
- (2) What was the cost of development of the Kananaskis Country Golf Course to the province?
- (3) What expense, if any, was incurred by the government with respect to the Kananaskis Country Golf Course for years ended March 31, 1983, to March 31, 1990, inclusive?

MR. GOGO: The government rejects that question, Mr. Speaker.

#### **head: Motions for Returns**

MR. GOGO: Mr. Speaker, I move that the motions for returns appearing on today's Order Paper stand and retain their places, except for Motion for a Return 405.

[Motion carried]

#### **Environmental Legislation**

405. Mr. McInnis moved that an order of the Assembly do issue for a return showing a copy of the mailing list for distribution of the proposed Alberta environmental protection and enhancement legislation showing names, addresses, and postal codes.

MR. McINNIS: Mr. Speaker, the purpose of this motion is for the government to table in the Assembly the mailing list it uses to distribute the environmental protection and enhancement . . .

MR. DEPUTY SPEAKER: Order please, hon. member. I regret interrupting the hon. member, but the Chair overlooked saying the magic words "Orders of the Day" so that the cameras would stop.

Hon. Member for Edmonton-Jasper Place.

MR. McINNIS: Who knows? If you hadn't said those magic words, we might have been inflicted on the television audience for the rest of the day. [interjections] Of course, it may not be

such a bad thing for them to find out what happens here after question period is over.

AN HON. MEMBER: You're not that big a star.

MR. NELSON: He's not a star at all.

MR. McINNIS: This is a very interesting debate, Mr. Speaker, and I hope to be able to enter it when the catcalls subside.

The Ministry of the Environment submits an awful lot of material to people in the public who happen to be on the mailing list, which I understand has grown by leaps and bounds. The present Minister of the Environment is very heavily oriented towards direct mail to put his message across to people in the province of Alberta. I venture that this is a list in excess of some 25,000 names and addresses.

Now, it could be that the minister has no confidence in the ability of the media to carry his message the way he wants it. Perhaps he finds that they're prone to point out what he actually does and what the government actually does rather than what they say they do or what they would like people to believe they do.

However, I have been getting an increasing number of inquiries from people who are at the receiving end of the junk mail pipeline from Alberta Environment. They want to know, first of all, why a department committed in its mission and mandate to protecting the environment produces so much junk mail, so much material that comes not personally addressed but through the magic of computer to their doorstep. Some of them would like to know how it is that they came to be on that particular list. So I think to clear the air in respect of this matter and to make certain that the public interest is served, the minister and the government should agree to motion 405 and forthwith table the list of names.

MR. KLEIN: Mr. Speaker, I'm astounded again at the statements of the hon. member from Jasper Place.

MR. FOX: Edmonton-Jasper Place.

MR. KLEIN: Edmonton-Jasper Place. What did I say?

To refer to the environmental protection and enhancement Act as a piece of junk I think is one of the most ridiculous, most insensitive statements I've ever heard this member make, especially when this member stood up in the House and told this minister that this was a very good initiative. Now he says it's a piece of junk mail. Mr. Speaker, dedicated public employees spent hours and hours and days and months working on this draft legislation to put it in place, to accommodate a public consultation process, and he brings it down to junk mail. How absolutely disgraceful, Mr. Speaker.

With respect to his comment that I have no faith in the media to get the message across, I have some faith in the media, but often the whole message doesn't get across. I was in the media for 11 years, Mr. Speaker. You know, I was part of that act. I know what a 30-second bite is; I know what a 30-second clip is. A 30-second clip doesn't necessarily represent hours and days and months of preparation and public consultation.

Mr. Speaker, he refers to this minister compiling a great mailing list to build up a propaganda machine. Well, again, this mailing list has been compiled as a result of people responding, first of all, to the vision statement, and secondly, responding once again to our call for input relative to the environmental protection and enhancement Act. In other words, we put it out

there to the people, saying: we want to hear from you. We heard from thousands of Albertans on the 800 line. We heard from hundreds more through the public hearings that were conducted by my colleague the hon. Member for Banff-Cochrane, and through this public consultation process hopefully we'll be able to bring back in the spring a document that will be a historical document in terms of environmental legislation in this country: much, much more than junk mail, Mr. Speaker.

With respect to the reasons for rejecting Motion for a Return 405, when Albertans responded to the advertising asking them to participate in both the vision and the legislation phases of consultation, they were not informed that their names and addresses were to be made public. To make the list public now would not be fair to those who responded, especially those who requested anonymity, and there were a number of people who requested anonymity. Further, Mr. Speaker, and the hon. member knows this full well, Alberta Environment has never allowed its mailing list to be made available to outside parties, to ensure there can be no misuse of the list, and this includes the NDP, who surely would contribute to the stream of junk mail.

Thank you.

3:40

MR. MITCHELL: Mr. Speaker, I'm rising to support Motion for a Return 405 and its substance. I'm struck – in fact, I'd like to say I'm impressed – by the minister's indignation at the comments by the Member for Edmonton-Jasper Place, that somehow this indignation stems from a true commitment on his part to solicit views, to consult with Albertans with the well-intentioned objective in mind that he would bring out a properly structured, well-rounded, well-thought-out piece of environmental protection and enhancement legislation. I'd like to say I am impressed by that sense of indignation that he demonstrated here moments before, but I'm skeptical of that sense of indignation because I have always contended that this minister, this government have addressed environmental legislation and environmental policy up to the point at which it is no longer public relations, and then they stop.

What I'm saying, Mr. Speaker, is that most of what this minister has done during his tenure as Minister of the Environment has been little more than public relations. When I look at this particular draft environmental protection and enhancement Bill, I am amazed at, one, how poorly and weakly thought out that particular piece of legislation is; and two, I am struck by the fact that while it's called an omnibus and comprehensive review of environmental legislation in this province, it doesn't have the support of the minister of forestry because legislation under his mandate that would apply to the environment and has environmental implications isn't being reviewed. Similarly, it doesn't have the support of the Minister of Recreation and Parks despite the fact that there is certainly legislation and responsibility within his mandate that has environmental implications.

So what I'm driven to conclude when I look at this particular piece of legislation is that it was a hurried effort on the part of this minister to look like he's doing something in the environment. As I say, it is vaguely worded. In 56 places it refers to regulations which will in fact be the substance of that Bill. It's beyond me, really, how they can structure proper input. In fact, I made a presentation to the board the minister created, and it was very, very difficult to have that input because one doesn't know what that Bill is actually going to do until one sees the regulations which are referred to in at least 56 different places throughout this Bill.

At the same time, the Bill is so poorly thought out that it will contribute to a morass, a complexity of boards and panels and mechanisms that will be fundamentally counterproductive at best and at worst will be available for the minister and this government to manipulate by hiding things and distracting issues and sending off panels on wild-goose chases in one way or another. After this Bill is passed and after the natural resources conservation Bill is passed, if they are – and one would assume they might be – we will have the Environment Council of Alberta, which is an excellent board if it were only allowed to operate properly, the natural resources conservation board; the Energy Resources Conservation Board; advisory councils; referral committees; review committees; the sustainable economic development council; the Department of the Environment; the Minister of the Environment; the reclamation and conservation committee. Well, Mr. Speaker, it is a nightmare of bureaucratic complexity that very few individuals in society are going to be able to sort out and understand properly so that they can work effectively within that review mechanism.

What I am concluding, Mr. Speaker, is that at the very best the environmental protection and enhancement legislation is just another cynical public relations effort on the part of this minister to create a boondoggle . . .

#### **Point of Order Relevance**

MR. EVANS: A point of order, Mr. Speaker.

MR. DEPUTY SPEAKER: The Member for Banff-Cochrane on a point of order.

MR. EVANS: I fail to see the relevance of the discussion that is emanating from the hon. member opposite. It has nothing whatsoever to do with Motion 405. We are talking about the mailing list and the availability of the mailing list. The hon. member on the opposite side is talking about the merits of the legislative package. That's totally irrelevant to this motion.

MR. DEPUTY SPEAKER: The hon. member could perhaps direct his remarks towards the motion before the House.

MR. WICKMAN: Point of order, Mr. Speaker. The member has to quote a citation. [interjections]

MR. DEPUTY SPEAKER: Order please. The Chair does not require a citation for the question of relevancy. That is a well-known point that all members should be cognizant of. That is why the Chair has asked the hon. Member for Edmonton-Meadowlark to speak to Motion 405.

#### **Debate Continued**

MR. MITCHELL: Mr. Speaker, I assure the member that my comments are directly relevant to this debate, because what I have done is itemized how weak this particular piece of draft legislation appears to be, how fundamentally ill conceived and poorly thought out it obviously is. Therefore, one would hope that this minister hasn't got the kind of commitment to carry through with it and to implement it, and he must have something else in mind. What I believe he has in mind is merely public relations, and if we could find out where he's sending this particular document, to whom he's sending it, we'd get an idea to be able to assess that once and for all and the people of Alberta would know what's really at the root of this exercise he's undertaken, this ill-conceived, ill-thought-out exercise. This is

public relations. He's right; he's had 11 years' experience. But he didn't count the last year and a half's experience he's had in public relations with this government. In fact, he's had 12 and a half years, and this particular draft legislation is testimony to that fact.

MR. DEPUTY SPEAKER: The hon. Member for Edmonton-Jasper Place, to close debate.

MR. McINNIS: Perhaps, Mr. Speaker, I could say a few words in closing the debate. I appreciate that the last two speakers did take us some distance into debating the proposed environmental protection enhancement Act legislation, which is not before the House. I'm afraid the Member for Edmonton-Meadowlark was led astray by the Minister of the Environment, who launched into a debate on the Bill. I'm hoping to bring some sense of order back to this debate . . .

AN HON. MEMBER: I can't wait.

MR. McINNIS: . . . although I can tell that some members are not with me on that project.

If I may, though, I would like to respond in kind to some of the things the Minister of the Environment had to say. I won't debate the legislation beyond saying that it has enough loopholes in it to drive pulp mills and other major projects through. It is full of language such as: the minister may do this; the Lieutenant Governor in Council may do that; the government may do something else. It's the kind of legislation that this government has become famous for, and there are some people who, when they look at it, read it, and examine it, consider, as I believe does the Member for Edmonton-Meadowlark, that the project as it now stands should be junked. Now, whether you go from there and say that the material was junk . . .

My comment has to do with junk mail. Now, junk mail is material that you get in the mail that is not solicited, that takes up space in your household, eventually in your landfill if you're in one of the majority of communities around the province that doesn't have a blue box recycling program – a thank you to the hon. minister – that you can't do anything about receiving. That's the definition of junk mail, whether it's a Sears catalogue, whether it's an unsolicited advertising brochure of one kind or another.

Now, I call some of this material junk because it doesn't have any substance to it. I mean, the first part of this project was a document called a mission statement prepared by Alberta Environment. I understood that the executive staff and other staff in the ministry met over a weekend. They went somewhere to be alone together, and the result of all of that was this mission statement. Well, I dared to ask the Minister of the Environment a question about the mission statement. I asked about that portion that says: it is today the philosophy of the department that the polluter shall pay. At the time I was trying to find out exactly how much these polluters pay for pollution permits, the permits that are issued under the Clean Air Act, the purpose of which is to make the air dirty, and the Clean Water Act, the purpose of which is to authorize making the water dirty. The answer came back: well, that's not really a part of our mission statement; the mission statement is a few little words at the top of the document, which have something to do with the wise use of the environment but nothing to do with all the other words that cover the six panels of the document, which any right-thinking person would take to be the mission statement of the department. So the material, aside from being unsolicited in

many cases, was also confusing, not to say perhaps may have even caused someone to be misled as to what the mission of the department actually was.

3:50

My point is that this material arrives on people's doorsteps via Canada Post. I understand some 25,000 copies of the entire draft Act, plus the minister's news release, plus the highlights of the document were distributed unsolicited to some 25,000 persons in Alberta. The minister is not quite clear in his remarks as to how people got on the list. Well, some of them phoned an 800 number. Some of them may have written in. Some of them may have been pulled out of the phone book, for all we know, some maybe from the marked canvass list from the last election campaign. He doesn't have a clear explanation for how people got on it. But some of the people writing me want to know how they can get off it. They want to know how they can stop receiving all this material from Alberta Environment. They believe that somehow this organization has something to do with conserving the environment, and the continual stream of material...

The minister talks about somebody might want to misuse this list by sending some account of a political issue, maybe something to do with the environment. What is he doing with that list? He's sending them what he thinks is the whole story. He says the 30-second clip doesn't account for all the hours of work that he and his staff have put into it, so he wants to tell them the real story. Well, you know, some people have heard that tune. They've heard it frequently enough, and they don't want to hear it anymore.

I have to wonder how it is that when you respond to these initiatives such as the mission statement, which included an invitation to supply your vision of the environment — that was something the minister was very proud of: that he was soliciting the input and involvement of Albertans and he got some 7,000 or 8,000. Well, just about the same time that he tabled the summary of what went in that, he also tabled the new legislation, and if you look and think about the time frame, it isn't really possible that the thousands of letters he received had very much, if anything, to do with the draft that was published.

I think it's getting pretty close to the point that I think the comment by the Member for Edmonton-Meadowlark may be pretty close to the truth: that this is in fact more of a public relations initiative than it is an effort to involve people in public policy. From my reading of the copies of the letters I got and the summary of the input which was published by Alberta Environment, I don't think people in Alberta asked for the type of legislation they got, and they're not always asking for the material they get on this mailing list.

So I think we in this Assembly should endorse the idea that people have a right to know if they're on Alberta Environment's now secret mailing list, how they got there, and how they can get off it.

[Motion lost]

## head: **Motions Other than Government Motions**

### **Crow Benefit**

221. Moved by Mr. Ady:

Be it resolved that the Legislative Assembly urge the government of Alberta to recommend to the government of

Canada that the Crow benefit be paid directly to producers instead of to the railways.

MR. ADY: Thank you, Mr. Speaker. It's my privilege today to stand and introduce Motion 221 to this Assembly for debate. This is a very simple, straightforward motion which only has one initiative. It calls upon the federal government to change the method of payment of the Crow benefit from paying the railways to paying the producer.

Mr. Speaker, I remember some two years ago when I stood in the Assembly to speak on a motion that I brought forward. The method of payment became part of that debate, and I recall how interested the Member for Vegreville and the Member for Westlock-Sturgeon became and how they took issue with some of the points I made, seemed very concerned that the intent of anything to do with changing the method of payment was going to in some way totally dismantle the Canadian Wheat Board, that it would put the railways into bankruptcy. I want to assure them that's not the intent of this motion nor is it the intent of this motion that it should do away with all the ills of agriculture.

However, there is one thing that it will do: it will be of significant benefit to western Canada. On that basis I would encourage the members opposite to give serious consideration to the points that will be brought out in the debate today on this motion.

Mr. Speaker, agricultural economies in the four western provinces are very different. Livestock accounts for about 50 percent of farm receipts in Alberta and about 65 percent in British Columbia. Saskatchewan and Manitoba are less diversified, with only 25 and 40 percent of receipts accounted for by livestock respectively. Because of the fairly equal balance between grain and livestock production in Alberta, both sectors of the industry are sensitive to policies that affect the domestic price of grain. The current method of paying the Crow benefit distorts this grain price.

The operations of the grain transportation system in western Canada are regulated in part by the Western Grain Transportation Act. The Act commits the federal government to a level of funding considered sufficient to provide adequate rail services for shippers of western Canadian grain. In 1984 the statutory freight rate of one-half a cent per tonne mile was replaced by rates governed by the Western Grain Transportation Act. At that point it became obvious that the railways had won their battle and that they had backed out of their 1897 agreement. They backed out of that in spite of all the benefits they had received under that agreement. During those years, from 1897 to the present, they had amassed a great industry but nevertheless felt they could no longer carry the grain for that rate.

Abandonment of the historic Crow rate gave much needed investment in the rail system, which in turn improved grain movement capacity. Under the WGTA the federal government commits \$658.6 million annually to support the movement of grain by rail for export. This commitment is known as the Crow benefit. Certain cost increases are also covered by the government raising its total annual commitment to approximately \$720 million. This sum is paid directly to the railways on the basis of the unloaded weight of grain recorded on waybills and the distance that grain has been moved.

While the intent and results of the Act have been generally positive, the continuation of the payments to the railways creates some undesirable conditions in Alberta and British Columbia. Payment of the Crow benefit to the railways has artificially raised the domestic price of grain and has retarded expansion, competitiveness, and diversification in both provinces in the

agricultural and food industries. Under the WGTA, the producer has been required to pick up an increasing share of escalating costs due to both inflation and increase in grain tonnage shipped by rail. The producer's share of rail transportation costs is expected to increase from an average of \$9 a tonne in 1989-90 to \$23.56 a tonne by 1998-99, an increase of about 11 percent per year. The federal government's share of the transportation costs is expected to fall from \$21.31 a tonne in 1989-90 to \$17.52 a tonne in 1998-99, while total freight costs will rise 35 percent to \$41 a tonne. Since the federal government subsidy is essentially fixed, western Canadian farmers will receive a smaller benefit per tonne over the next decade. Mr. Speaker, the result will be rapidly escalating producer freight costs. The farmers will be caught in a cost crunch.

At the same time, the regulatory structure of the transportation system provides little incentive to reduce costs through increased efficiency and competition. Under the WGTA, only the cost of moving grain by rail to export positions and domestic movement to Thunder Bay are covered. This creates a bias in the mode of transportation used. The low shipper freight rates make truck transportation uncompetitive with rail to the export position. For Alberta and B.C. grain farmers to compete internationally in the future, it is imperative that Canadian transportation costs be competitive with those of other exporting nations. Canada's major competitors in world grain markets include the United States, Australia, and the European Economic Community. Among her competitors Canada has the greatest distance from production areas to port position.

4:00

AN HON. MEMBER: That's right.

MR. ADY: Thank you, hon. member.

The average distance of rail shipment of grain is 920 miles in Canada compared with approximately 500 miles in the United States and 200 miles in Australia. Therefore, because domestic grain prices do not reflect the full cost the federal government pays for shipping grain for export, the domestic price of grain is artificially raised by a portion of this payment. In addition, the payment has lessened the tendency of farmers to seek cost reduction in the transportation system. This inhibits both expansion of the domestic grain market and demand for change in the transportation system. A stronger, more efficient transportation system would reduce farmers' transportation costs to market. To compete with a subsidized export market domestic food processors are forced to pay a higher price for their grain inputs. This artificial increase or distortion in the price of domestic grain results in an input price disadvantage for processors in western Canada.

In 1985 Alberta accounted for only 6 percent of the value-added activity in the Canadian food and beverage industry despite having 9.5 percent of Canada's population. On the other hand, Ontario, with 35 percent of the national population, accounted for 47 percent of food-related value-added activity. Again, our system is tilted to an eastern benefit. Even in the red meat sector, where Alberta has a natural advantage, the province's share of the value of national shipments fell from 25.5 percent in 1978 to 20.5 percent in 1986. Clearly, the current method of payment is a deterrent to the development of value-added industries in western Canada.

That brings us to the single most important, contentious, and complex issue in the total Crow debate. Who should receive the payment, the producers or the railway? Dr. Gilson, an economist from the University of Manitoba, headed a committee

which did an elaborate study and made recommendations to the federal government on the Crow rate. Dr. Gilson initially preferred the pay-the-producer policy. However, he did come to recommend in his report in 1981 an annual payment from a fund of \$644 million and that 81 percent be paid to the producer and 19 percent to the railways, phased in over an eight-year period. That was back in 1981 when Dr. Gilson was requested to bring in a report to assist the legislators at the federal government level to resolve the Crow benefit problem. Dr. Gilson also proposed an agricultural adjustment of \$304 million to farmers in the beginning, and that was to phase to zero by 1990.

As I have pointed out, this was strongly opposed by the prairie wheat pools and the governments of Manitoba, Saskatchewan, and Quebec. Subsequently a 50-50 split was proposed by Dr. Gilson, but it had to be withdrawn because of further opposition, and due to the lack of consensus on the issue, the federal government decided to pay the entire Crow benefit to the railways. Simply put, the argument in favour of payment to the railways remains that the subsidy supports the export of grain out of the prairies, and the federal government will not remove it for this reason. Obviously this is a comfortable position for all who benefit from the status quo, those groups being the two national railways, Quebec, the wheat pools, and other major rail users.

The major argument for payments to producers is that this would eliminate current distortions in the western agricultural economy arising out of the Crow benefit. These distortions work to the disadvantage of the production of livestock and other agricultural value-added processing. The price of feed grains, oilseeds, and other raw products on the prairies is the international price minus the transportation costs. Since the Crow rate keeps transportation costs at artificially low levels, farm gate prices on feed grains are kept artificially high. Paying the Crow benefit to the railways creates this distortion.

Since grain prices reflect their international value minus freight, anyone who wishes to use grain as an input – for example, feeding – must bid against this export subsidy to source his supplies. If the subsidy were paid to the producer regardless of the end use of the grain, feed buyers would not have to compete against this export. For instance, the farm gate price of feed grain on the prairies – Manitoba, Saskatchewan, and Alberta – is the price of the grain as delivered to the port from which it is to be exported minus the costs of shipping it to that destination. If the delivered price of the grain is \$132 a tonne and delivery costs are \$32 a tonne, the farm gate price would be \$100, that being \$132 less the \$32 per tonne of freight.

Under the Crow benefit program the federal government pays railways an average of \$23 per tonne to ship grain from Alberta to other destinations in Canada. This reduces the net cost to the grain producer of shipping his grain outside Alberta to only \$9 per tonne. Therefore, farmers who sell grain for consumption outside Alberta receive a net price of \$123 per tonne for that grain. Because farmers can receive a net price of \$123 for shipped grain, the price of grain sold for consumption within Alberta also rises to \$123, a price that is \$23 higher than grain prices would be in a free market.

Alberta has continued to strongly support paying the producer because of these reasons. In a symposium in Vancouver called Improving Grain Logistics: Barriers to Change, Assistant Deputy Minister Doug Radke from Alberta Agriculture gave an excellent presentation on the harmful effects of the method of payment. He stated that the single most cost-effective contribution that could be made to the western economy without costing

the federal government any money at all would be to change the WGTA to pay the Crow benefit to the farmer. It is basic to all our economic needs, diversification, value-added efficiency, and cost competitiveness. A system of complete or partial payment to producers based on their productive capacity would avoid distortive effects. Under such a scheme farmers would be free to choose what to produce and where to sell it and to make those decisions based on sound economic reasons, not artificial signals.

Alberta's livestock industry has generated slightly more revenue in the last 10 years than the production of crops. The feed grain adjustment program was put in place to show other provinces and the federal government the negative impact of the Crow benefit. Because of budgetary reasoning, it was later lowered and renamed the Crow benefit offset program. Before this program was introduced, Alberta was a major exporter of feeder cattle to other provinces in the United States. Since then a major reversal has occurred. We are feeding those cattle at home and looking at the huge expansion in the meat packing industry.

B.C. also has a Crow offset plan. Saskatchewan has maintained its share of the industry with very rich incentive programs, but it does not make any sense to offset a subsidy program like the Crow benefit by putting another subsidy program in place such as our provinces are all doing, causing more balkanization, resulting in more provincial barriers. Mr. Speaker, it just doesn't make sense. These provincial trade barriers become greater obstacles as artificially high grain prices detract from the free flow of value-added commodities such as cattle, hogs, and canola products. This price distortion resulting from the method of payment becomes a greater problem to interprovincial trade when considering product demand such as the case with Alberta's high demand for feed grain.

#### 4:10

There are developments occurring that are forcing the method of payment to be changed. Alberta wants to take the road to diversification and become less dependent on the international grain markets. We are in the process of developing the Crow benefit to be paid directly to the producer. This proposal is the Freedom to Choose program, presented by this government in August of 1990. Using a framework of various principles guiding the current federal/provincial domestic agricultural policy reviews, the Freedom to Choose proposal would set out to, first of all, remove the distortion from the domestic grain prices, direct support measures towards being production and trade neutral, and establish legislative and regulatory structures which provide for the progressive evolution of a more market responsive, cost-effective grain handling and transportation system. It would also develop legislative and regulatory structures which would improve Canadian farmers' ability to compete in the global marketplace.

Let me briefly outline the benefits of these proposals. If we remove the distortion from domestic grain prices, we will enhance and expand a competitive livestock sector and other value-added sectors. If we direct support measures towards being production and trade neutral, we could save \$80 million to \$90 million per year in existing provincial offset programs. If we provide for a market responsive cost-effective grain handling and transportation system, we could save over \$100 million per year in increased efficiency. If we improve the farmers' ability to compete in the global marketplace, rural communities can begin building on a more secure economic base through agricultural diversification. By adopting the changes proposed

in Freedom to Choose, the federal government would provide Alberta and the rest of western Canada with tremendous economic development potential. To the individual farmer and his community, implementation of the proposal would provide increased farm income stability through diversification. Implementation would also offer the farmer freedom to choose among the alternative modes of transportation in securing access to his chosen market and freedom to choose how he uses the Crow benefit.

It is a good proposal, Mr. Speaker. It is more than adequate to address the concerns outlined in Motion 221. I call on all members of this Legislature to give support to this initiative by supporting this motion.

Thank you.

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

MR. TAYLOR: Thank you very much, Mr. Speaker. Rising to speak on this, first I want to congratulate and commend the hon. Member for Cardston for doing a well-researched paper on the subject. It is one that hasn't got an easy answer, and I take his paper and his solution as being the best of intentions. However, I have a great deal of difficulty accepting that as a solution to the problems of western agriculture.

If we could back up for just a minute, Mr. Speaker, and pretend that somebody came here from Mars and was looking at the world and, say, before they landed watched it rotate past the window as you would rotate your globe at home, I think it would become very obvious very quickly that the only continent in the world on which there is any kind of economy developed in the centre is the North American one. There's no economy in the centre of South America, nothing in the centre of South Africa, nothing much in the centre of Eurasia, and nothing in the middle of Australasia. So why would there obviously be something developed in the middle of North America that hasn't been developed elsewhere? I think the hon. Member for Cardston touched on the answer when he talked about transportation, the main reason being that if you look at the world, you'll find that most of the concentration of population has developed close to the seacoast. Obviously those along the seacoast or close by have an advantage to trade in the world.

I go on to a second thing. I'm beginning to sound more like a Social Creditor all the time, but if you told this person from Mars that most of the economy you had here in the centre of North America depended on exports, they would indeed scratch their head and say, "You must have worked out a very, very smart transportation system, because why would you in central North America have an economy going and the other continents not?" Then, of course, one thing I'm sure the man or the woman or the it from Mars would say is, "Well, you've got the Mississippi running down through the centre of North America; therefore you can bring out quite a little produce that way the same way the Rhine out of western Europe and other major rivers around the world do."

However, that doesn't answer in itself. When you look at North America, the 49th parallel means that access to the Mississippi-Missouri system isn't that easy for us. So what our forefathers developed many years ago was a subsidized railroad hauling system over the mountains. Of course that was because highways and trucks maybe hadn't developed to how well developed they are today. But the fact of the matter is that the U.S. gets away with shipping out a high percentage of its grain through the Mississippi River system, which is upgraded and

totally looked after because it's supposedly a military route for the protection of the United States. Consequently, grain going down the Mississippi does not pay its fair share of water transport; the locks and all the systems that go to keep the Mississippi-Missouri system in shape. In other words, Mr. Speaker, they too have their Crow rate, but it comes through the upgraded system similar to what we would have done if we'd turned around and given them a free railroad. In other words, the man from Mars might have suggested that you should have painted all the locomotives in camouflage colours and said, "We need them for military reasons." A military railroad would be free to transport grain, or any of the commodities from the centre of the continent, at a very low price.

I think it's fairly clear that if you take away a method of getting transportation out to the markets of the world, there will be no agriculture. You will have a centre of North America up here that looks very similar to the centre of Australia or the centre of Africa or the centre of South America. For a couple of reasons I believe those people dream in technicolour when they say, "Pay the Crow rate to the farmer." You'll notice they say, "Don't abandon the Crow rate; pay the Crow rate to the farmer." All right; then they've accepted number one in the argument: the farmer has to be subsidized in the way of transportation. Transportation has to be subsidized. Once we've made that argument, then we've come a light-year ahead in the intellectual argument on it.

How would this transport be looked after? If we all agreed that there would be no subsidy whatsoever, directly or indirectly, to the farmer for grain transportation, you can see we would go back in our economy to a certain amount of cattle, sure, but even the cattle raiser would soon find out that the farmer would quit growing grain. A lot of cattle people think, "Oh well, we'll get rid of the Crow rate and get barley for 20 cents a bushel." That's not so. Barley will quit being grown when it gets down to maybe 70 cents or whatever it is a bushel. There'll be some breakeven point when it won't even be grown. So the cattle industry, if it thinks it's going to suddenly access a lot of cheap forage if the Crow rate disappears, hasn't thought it through either. The price will be down so low that the growers will not grow it at all. Therefore, any thought that we're suddenly going to develop a booming cattle industry has to be looked at.

Also, as far as the cattle industry is concerned, it's going to be interesting whether we could feed that much grain. We're exporting somewhere between 75 and 80 percent of our grain now. To suddenly put it into those four-footed animals or the four-legged ones the hon. Member for Red Deer was trying to move a resolution for, Francis the pig . . . He was quite proud; he was going to establish a genetic pool. As often happens when you have city slickers representing an area, they didn't realize poor old Francis had lost the wherewithal to have children at a very, very young age. We don't market pigs with the equipment to have a genetic pool. Nevertheless, when you get a chance to talk to the member from Red Deer, you just might mention that Francis not only had to squeal naturally, that was all he could do.

4:20

To get off Francis and the representative from Red Deer for a minute, I would like to go on and point out that the cattle industry not only might find that the food producer would not be ready, but how are we going to get rid of that much grain? Eighty percent of it is exported around the world. We'd have cows shoulder to shoulder. The methane production alone would be enough to scare the heck out of any environmentalist.

We'd have an ozone thinning over western North America. So the idea that suddenly we're going to feed all the grain to cattle and develop a beautiful cattle industry just doesn't hold water either. What we'd have to do is grow something else.

No, Mr. Speaker, the Crow rate or the cost of some sort of transportation has to be minimized some way or another. Admittedly, trucks now can transport probably to the Lakehead and south into the U.S. on relatively flat country as cheaply as any railroad, but the trucking companies tell me they wouldn't even begin to touch trying to ship from the plains to the coast through the mountains; the trucks don't even approach it. The amount of money we'd have to spend on the roads, leveling the Rocky Mountains, so to speak, so the roads are competitive, would be a lot more than keeping the railroads going. Railroads are still in most spots in the world the most economic way of taking transportation through high mountain passes. That applies whether you're in Europe, Africa, or North America. So we've settled that. We need a subsidy for transportation.

Secondly, what concerns me so often is when you hear "Let's pay it to the farmer." It sounds so good. All of us have farmers in our constituencies. This massive injection of cash would certainly look good, especially when you have the Treasury Branches and the ADC going around snapping and snarling and foreclosing right and left. A nice chunk of cash, especially coming from the federal government, into the farmer's pocket, which he could then pay to the ADC and the Treasury Branches, looks good. It's a great deal. But what do we do next year? What do we do the year after that? Once you've paid off these creditors, suddenly your land value out there isn't worth hardly anything; the banks won't loan on it. You've got barley and grain that you can grow that's costing you double to transport out to market. Suddenly the economy is shot. So everybody says, "No, we'll get rid of that by putting a bond on the land." Well, you know how long the bond would last: just between now and maybe about 48 hours when some banker or New York slicker would buy it off, for a discount at cash, for 50 percent of what the bond cost. In other words, the shot of cash would be gone and then agriculture would be out there trying to exist without a subsidy for transportation.

No. If you could guarantee me that the west would control the Ottawa government and be sure to vote \$750 million a year, sure I'd say vote it to the farmer. But I don't trust those rascals in Ottawa, especially when they control the vote for this province. Whether they're Liberal, Conservative, NDP, Green, Reform, or whatever their cover, once they take over, we're going to have to trust them to keep paying the money. It's going to be very difficult indeed. So I think we have a system worked out now that will work.

Now, what bothers me most of all, though, Mr. Speaker, is that the Tory government in Ottawa, aided and abetted by the Tory cabinet ministers here in this province and, in particular, from Agriculture, have encouraged – maybe they didn't mean to – people like Crosbie and others to give away our Crow benefit when we're arguing in GATT in Switzerland and Holland for lower subsidies all around. We haven't heard anybody say anything about the Americans paying full cost of going up and down the Mississippi. Somehow or another we've already offered the Crow rate to GATT as a sacrificial lamb. I don't think we should have. I think we should have fought like hell before we gave it up. If we ever do have to change it. . . . Oh, I see Francis' promoter is back in his stall again. Nevertheless, if we ever have to promote it, we would be a lot better, I think, taking the money. . . . If, for instance, GATT does say it's not possible – let's say all the worldwide experts say: look, you can't

subsidize the railroad even though the Americans can subsidize a river; even though the Germans, the French, and the economic market of Canada can subsidize the development of the Rhine, you can't develop a railroad. If that case should happen, then I think we should fight and fight and fight not to let it happen, because they're getting away with their large river subsidies.

But in case it does happen, we would be better to transfer those funds into a system very similar to the GRIP program, which is just sharing a basic income floor to the farmers rather than going out now as we would on an acreage basis, which helps the big, rich farmer much more than it does the smaller farmer. A basic income floor if we had to get rid of Crow – and I'm just saying if we had to – our fallback position. I almost hate to say it, because once you say it the federal MPs in Ottawa quickly take that to the GATT talks and say, "Hey, I understand the westerners are ready to get rid of their Crow." Well, that's not what we want to be transmitting over to GATT. We should say that the westerners are fighting to hold on to Crow. But we've been divided in our own house by smart people in Ottawa saying: "Oh, we'll split the west. We'll split the grain producer off from the other producers and try to get across to him. Oh, you're going to get a big lump of cash to pay off that old voracious banker if we get rid of the Crow." The fact of the matter is that nobody has thought beyond what we're going to do after we get rid of the Crow. They seem to think that somehow or another they're going to be able to still be competitive, and I don't see how that's going to come about.

Going back to the Crow just for a minute or two, I would like to leave this House with the . . . [interjections] Sounds like it's feeding time for the seals again. They've all got their flippers going, Mr. Speaker. Nevertheless, before I throw them a fish, I'll just mention the fact that if we are to lose the Crow rate, it should go into an income support plan, not into a plan of a straight grant per acreage to farmers as has now been contemplated. But we should fight right and left to hold on to the Crow, because there's no way the central part of North America is going to have access to world markets without very cheap transportation indeed, cheaper than they've known. So it needs some form of subsidy, some sort of national subsidy.

We can hide behind the fact of national defence, like the Americans do, or we can go back to what we were when we had the great old Tory John A. Macdonald. After taking some of the elixir of life, he got up there and said that one of the reasons we had to have a subsidized railroad was to tie one end of this country to the other.

It may well be that the Crow rate and railroad system in this country – and it's something we westerners often overlook – is as important to national unity of this country as the French language or the maritime fisheries are concerned. In saying that we don't need it anymore, it can be paid out as a cash payment, I think we might be setting in motion something we would certainly wish we hadn't in the years ahead.

Thank you.

MR. DEPUTY SPEAKER: The hon. Member for Wainwright, followed by the hon. Member for Vegreville.

MR. FISCHER: Thank you, Mr. Speaker. I feel privileged to speak on this very important issue. The issue of the Crow benefit has been around and studied intently ever since the agreement was signed, and that was back in 1867. I would like to just give you a little bit of history about the Crow benefit to try and explain why some things are the way they are and why they should be changed, because not all the members in this

House agree with the changing. I listened to the Member for Westlock-Sturgeon when he said that we have to have that subsidy, we have to continue it the same way. We cannot afford any longer to export those dollars out to the countries we're selling our grains to. It just doesn't work.

The history of this. The agreement of the Crowsnest Pass Act was established in June of 1897. It will soon be a hundred years. It was between the federal government and the CPR. The CPR was given large subsidies to build a railway through the Crowsnest Pass to facilitate and develop the promising B.C. mining areas in return for prearranged freight rates on certain commodities. It provided for lower rail rates on grain and moving flour eastward to the Lakehead as well as on westbound commodities, mainly farm equipment and other important settlers' goods. At that time they felt that that was an excellent idea, though the Act was amended in 1925, ending the lower freight rates for settlers' goods. I don't know how in the world they did this in 1925 without an awful lot of fuss, because this certainly was the beginning of the imbalance of this total freight rate that we have now. The special rates for grain and flour were retained, but no more settlers' goods coming this way.

4:30

[Mr. Jonson in the Chair]

The Crow rate was initiated as an ongoing program with no intention of ending. It was, after all, considered to be part of the national dream, uniting eastern and western Canada through a railway that would open the prairies and help eastern industries flourish. The delivery points with the statutory rate were originally numbered at 289, and that grew to over 1,200 points by 1982. This increase demonstrates the huge progressive expansion that has taken place. In fact, I'm sure that CPR officials still shake their heads over that agreement and believe it was probably the worst agreement they had ever made. But the statutory rate agreement provided good service for western Canadian producers for many years, until the 1960s, and since that time negative factors and developments have arisen. Alternative modes of transportation, particularly trucks, have made many branch lines increasingly grain dependent by taking the higher revenue freight from the railways.

Many of us remember how inflation began its dramatic rise. Labour costs went up; rail lines were getting old; the cost of the maintenance and rehabilitation kept rising, but the rate for shipping grain remained at around \$5 a tonne, which represented a fifth of the cost to ship the grain. This converts to 12 cents a bushel to ship grain, cheaper than mailing a letter. Grain made up 20 percent of the rail business while supplying only 3 and a half percent of the revenue. Producers were losing millions of dollars through lost sales and demurrage costs. At this critical stage the federal government stepped in and began to subsidize the railways with ad hoc programs: a new fleet of hopper cars – later the Canadian Wheat Board bought 2,000; the province of Alberta bought 1,000; Saskatchewan bought 1,000 – branch line subsidy programs, storage facilities, main line rehabilitation subsidies. Other measures were taken in a response to growing prices aggravated by the existence of the statutory rates.

Despite the effectiveness of these programs, they were a temporary solution to an ongoing problem. CP Rail claims it lost \$1.1 billion from 1970 to 1981 hauling grain at rates substantially below cost. Both railways cited these losses and single out the Crow rate as the culprit, the obstacle to a more efficient rail system with expanded capacity to meet increasing requirements for western commodity exports. The message to



the federal government was very clear: either change the Crow rate or watch the export potential deteriorate not only for grain but also for potash, coal, and lumber.

The dawning of the '80s brought along 20 percent interest rates and double-digit inflation and unemployment rates, factors that relentlessly reduced the government's ability to pay for its financial commitment and forced the federal debt dramatically upward. In 1982 the one-man commission under Dr. Gilson was established to consult involved parties and recommend a solution to the transportation problem facing the west. Based heavily on the Gilson report, the Minister of Transport at the time, Jean-Luc Pepin, put forward a proposal in 1983. Pepin's plan was to split the Crow benefit 50-50 between the farmers and the railways. Rates would be allowed to partially rise, but half of the Crow distortion would remain. In 1985-86 grain freight rates would be allowed to double, and by 1990-91 they would escalate to five times the current Crow rate. Throughout these developments the Quebec agriculture industry, which is largely based on subsidized livestock production, lobbied Ottawa to maintain low freight rates for western grains. Low rates ensure a steady flow of cheap grains to the east. Prairie pools put their support behind Quebec lobbyists, realizing that cheap freight rates ensure higher rail use, which in turn ensures a higher use of the wheat pool elevators. Due to this lobbying and mixed reaction from the Manitoba and Saskatchewan provincial governments, the federal government again changed their Crow rate reform policy.

Crow rate reform took place under Bill C-155, the Western Grain Transportation Act, which was passed on November 14, 1983. This Bill provided for full payment of the Crow benefit to the railways. In addition, grain freight rates were allowed to gradually increase to help cover some of the actual costs of the grain transportation. It was intended that this legislation would lay the groundwork toward the development of a more cost-effective and efficient transportation system. As well, the annual rate increases were expected over time to remove the distortion to the livestock and processing industries. Bill C-155 was one of the hardest fought over and the angriest debate in the House of Commons since the flag debate in 1964. But despite the opposition to it, it was thought to be the best alternative at that time. As each year passes and secondary processing is retarded or fails without government subsidies, the debate comes back and will keep on coming back until it is changed.

The single most important thing that we can do for agriculture now is to change the method of payment. World markets are changing. World needs are changing. Production is changing, and we haven't changed here. No longer can Alberta farmers be financially encouraged to export grain that no one is willing to pay for. It is foolish to encourage production of a product that will not return the cost of production. I don't know of any other industry that does that. I personally believe we have to change our whole idea about what we are growing in this country. There's new production in Russia. There's new production in East Germany. Saudi Arabia is producing a lot more wheat now, they found some water, and they irrigate a lot more. The world need for wheat is not there anymore. I don't believe we can carry on here in Alberta and continually grow more and more wheat and barley, and nobody wants it. Certainly the changing of the Crow rate would help discourage us from doing that. It would also encourage us to find and develop new markets and new industries.

Alberta needs to diversify economically. We want to participate in the expansion of the jobs and opportunities that come with diversification. We want to be able to compete internation-

ally in the livestock business, in the meat business, and in the processed food business. Our efforts to diversify the western agriculture economy and support a market-driven transportation system will not be fully realized until efforts are made to alter the current Crow rate method of payment.

4:40

The Member for Westlock-Sturgeon mentioned that we were going to put all of the grain into cattle. I believe there are many, many industries that we could get into in the secondary processing industry to develop foods that we could sell to the rest of the world and make use of the products that were grown here without putting it all towards cattle.

The ethanol industry: the Member for Vegreville knows full well that it's getting closer and closer to being a viable industry, but there is a definite retardant, as far as the Crow benefit goes, to that industry. I believe if we could remove that, we could develop lots of industries.

For those reasons I support Motion 221, which urges the government to recommend to the federal government to change the method of payment. The time is now for our ag industry, and as a producer, I know that we can't wait any longer and depend on government subsidies to retard the growth in this industry.

Thank you.

MR. ACTING DEPUTY SPEAKER: The Member for Vegreville.

MR. FOX: Thank you, Mr. Speaker. I found the presentations by members preceding me in this debate to be . . . [interjection] Thank you, hon. Member for Lethbridge-East. Lethbridge-West. East is least; west is best. Pardon me.

I found the presentations very interesting, the kind of new positioning that's occurring on the issue. I don't know if members on the government side will remember the Member for Westlock-Sturgeon urging on many occasions over the last several years the ministers of Agriculture to get on with changing the method of payment, to take some action on this issue. Now today he's decided that that's not his position at all. Well, maybe because it's Tuesday, his position on the issue is somewhat different. But at least one thing I can say about the government members is that they've been consistent in their support for changing the method of payment, although I find their arguments today to be somewhat curious.

They both seem to have done a little bit of studying of the history of the issue. They seem to understand the reasons why statutory rates were established, the old so-called Crow rate. They understand the benefits of that deal in terms of the development of western Canada. They seem to appreciate that. But they're conveniently forgetting the Conservative role in getting rid of the Crow rate, because it was an orchestrated strategy between the Lougheed government, the Conservatives, in the province of Alberta and the Liberals in Ottawa, Jean-Luc Pepin, to systematically convince farmers that they were being poorly served by the Crow rate being in place and to argue strongly on behalf of the railways to have that historic right of western Canadians dumped so that railways can make more money. Maybe the members weren't involved at that time and don't understand the history as well as the Member for Vegreville does. But I'll tell them a little bit more about it, because I was involved in the debate extensively back in those years, arguing for the extension of the Crow rate rather than the demise of the Crow rate like the Conservatives were arguing.

The Liberals in Ottawa hired an American commissioner, Carl Snively, to do a study about the costs associated with moving grain. Mr. Snively believed everything that the CPR fed him, encouraged by the Liberals and Conservatives who were trying to get rid of the rate. They even believed that the railways need, in order to be profitable long-term, a 19 percent return on their capital investment, and he said: "Anything less than that, they're not making money, they can't stay in business. No wonder this Crow rate is hurting them and they're not hauling grain the way they're supposed to be hauling grain." But I'd like to remind members that in exchange for signing the statutory agreement with respect to the hauling of grain from western Canada – and it was a rate that was supposed to be fixed into perpetuity. I know that's a big word, but that means forever. They're obliged under that Act to haul grain at a fixed rate in perpetuity, providing a mode of power, engines and cars, to do that forever. I submit it was in the best interests of the rail companies to sign the agreement, because they got an enormous windfall out of it, Mr. Speaker. They got the most valuable land in all of Canada given to them as a result of that agreement.

MR. FISCHER: It wasn't in that agreement.

MR. FOX: Well, it was a few years later. Let's not quibble about years. It's all part of the same package, hon. Member for Wainwright, and the CPR was established as one of the wealthiest private corporations as a basis of that agreement. Cominco mining, Marathon Realty, the most valuable land in Canada through the downtown core of most major cities: all of this coming to the railways in exchange for an agreement to haul grain at a fixed rate in perpetuity.

It was a good agreement for them in the beginning, an enormously good agreement for them in the beginning, but I can understand why they'd argue to change that. I can understand why a rail company that has no interest other than in enriching the bottom line, no obligation other than to show profits to shareholders, would argue to get rid of the Crow rate the moment it was signed. I don't quarrel with them for doing it. What disturbed me was that Conservative and Liberal politicians joined the chorus in arguing to get rid of this Crow rate, accepted the flimsy logic, and they said, "Well, gee; how can we haul grain forever at a rate that was established so many years ago? Don't you know that costs go up and our obligations go up?" ignoring the fact that the rail companies had not put very much money, if any at all, into providing new grain cars. They'd let the fleet of grain cars fall into disuse and disrepair until such time as the system became so strangled that the government put money into fixing these cars.

I can remember them trying to mislead people about the fact that they didn't have enough cars to haul the grain, that these cars weren't available for use and as a result couldn't haul grain to port. At that time members of the National Farmers Union embarked on a campaign to locate these grain cars, and I can remember the day that Roy Atkinson went to a meeting with the Canadian Transport Commission and laid on the table lists of all of the cars, their locations and serial numbers, proving that the railways were deliberately trying to involve themselves in some subterfuge to convince Conservative and Liberal politicians that the rate needed to be changed. It worked. They managed to convince these politicians to change the Crow rate in spite of the fact that they put almost no money into maintaining rail bed, in spite of the fact that they put almost no money into buying cars, in spite of the fact that they didn't ever live up to their historic obligation to provide service in perpetuity.

If I'd been a politician in charge at the time and some of these guys were in charge at the time, Mr. Speaker, I would have made sure that the railways lived up to their historic obligation. I would have reminded them of all the enormous benefits they got in exchange. But that little part of the lesson seems to have been missed in the speeches that were just read by the members for Cardston and Wainwright. I'd like to remind them that the Crow rate was an important historic benefit for western Canada. It helped develop this province. It was a Liberal/Conservative coalition that got rid of it, and it was the NDP that provided the reasoned argument on the opposite side of that issue. But it's gone. It's gone and it was replaced, as the Member for Wainwright said, by the Western Grain Transportation Act that provides for what we now call the Crow benefit.

The debate has now centred on whether that Crow benefit, currently some \$720 million, be paid to the railways or the producers. The Conservatives have come up with a very alluring kind of position in terms of the language on this issue: we think it should be paid to the producers rather than the railways, because railways are big and nasty and producers are warm and cuddly. I mean, who could disagree with that? It's like motherhood and apple pie. Everybody wants farmers to have money instead of railways. They leave out the other side of the equation. The moment you take that money away from the railways, the one or two cheques that you mail out to the railways every year, and make it a payment to producers, sending out – I don't know – a hundred thousand cheques several times a year, the moment you change that method of payment, you lower the value of grain on the prairies immediately. That part of the equation has never been satisfactorily addressed by Conservative politicians in their effort to change the method of payment.

4:50

After the last election they went out and hired – I don't know if he was retired or defeated – a former Conservative cabinet minister, Mr. Planche, to head up a pilot project, the Planche pay-the-producer pilot project. The minister's name was Peter. I called it the Peter principle at the time, for some obvious reasons. I thought it was an enormous waste of taxpayers' money to hire an ex-Conservative politician to go down to Ottawa and lobby a bunch of Conservative politicians to change the method of payment, but they did it. They haven't provided us with the data about how much money was wasted shipping him around the country or how much the hearings cost or how much the final report cost, but they put an enormous amount of effort into trying to sell the issue. We've heard it today. We've heard it in the Assembly over the last several days and, indeed, in press releases issued by the minister over the last several months: that changing the method of payment is the single most important thing we could do for agriculture today. What nonsense, Mr. Speaker. What nonsense.

That's the same argument they used to convince Albertans to support free trade. You remember the arguments, don't you, advanced by the ministers in this House? "Let's bring in free trade. It'll give us guaranteed access to the U.S. market. It'll mean health, vitality, and vigour for agriculture in Canada, and everybody will be better off as a result." Well, what is the result two years later, Mr. Speaker? What is the result? They don't talk about guaranteed access. In fact, when we challenged them on it, they backed off right away. It's enhanced access, maybe improved access. Maybe some things will increase, like the number of countervailing duties that pork producers have to contend with in order to get their product shipped into the

United States. So we could analyze the results of free trade on the agricultural economy, but certainly, in my view, when you analyze it sector by sector, it has not been positive. They've abandoned that argument now and come along and tried to sell changing the method of payment of the Crow benefit as the single most important thing we could do for agriculture in western Canada.

I'd like to tell you what it is, Mr. Speaker. It's the single most overblown, oversold bunch of nonsense that I've ever heard. If you were to listen to the rhetoric coming out of the Conservative politicians and the documents produced by the ministers of Agriculture since 1986, you would think the streets of rural Alberta would be paved with gold the moment the method of payment is changed. That's the way they try and sell the argument.

They went on to engage themselves in a pilot project with the Alberta Wheat Pool, got the well-intentioned directors of the Alberta Wheat Pool to involve themselves in an Alberta/B.C. pilot project to study what the implications would be of having our little portion of the designated Wheat Board area go the pay-the-producer route instead of the pay-the-railways route. It was a little more than a year ago today that that issue was debated at the Wheat Pool convention in Calgary. Now, the minister didn't provide the delegates of the Alberta Wheat Pool with any of the supporting documentation, any of the documentation that showed that the benefits wouldn't really be as dramatic as these guys try and pretend it would be, and it was a very close vote at the Wheat Pool convention. In fact, the support for the pay-the-producer pilot project was, I think, passed by a majority of two votes, or something like that, on the condition that the dilution factor be addressed. The minister has never made any attempt to address the dilution factor, Mr. Speaker, but the Wheat Pool voted for it with that kind of proviso, I guess.

I think we should look briefly at the dilution factor so that people are clear in their minds what that means. When I said that the value of grain would drop the moment the method of payment is changed, that is true. Currently the railways get \$720 million to defray the overall cost, their purported cost of hauling grain to port. If you follow that through to the impact on the farmer, when the farmer takes his or her grain to the elevator to deliver, the cost of shipping is reduced by some \$23 a tonne, so they get paid \$23 a tonne more than they would if the method of payment was changed. These wizards who think that everything will be rosy on the prairies if you change the method of payment acknowledge that the value of grain will drop by \$23 a tonne the moment it's delivered. They say that that's okay, because farmers may or may not get that back, at least some of it, at some point in the future. But the dilution has never been addressed, Mr. Speaker. The \$23 a tonne is in respect to grain shipped from the prairies to export, and changing the method of payment proposes that the \$720 million be spread out over all producers of grain, whether they feed it, store it, sell it to their neighbour, or whatever. It's changing the whole intent of the program, which was to make Canadian grain producers competitive on the international market with producers in other major exporting countries, all of whom have much more direct access to export facilities, access to ports, than our producers do.

So it's changing the whole intent of the program, and I submit the motive was to lower the value of grain, because we heard the chorus of complaints from the cattle feeding industry. In fact, they called it hurt: it addresses the hurt that the Crow benefit causes. You've got cattle producers – the Alberta Cattle Commission, the Canadian Cattlemen's Association – saying at

a time when barley prices, I remember a few years ago, were 98 cents a bushel that they could not endure the hurt, that the artificially high price of barley was hurting their industry. Well, grain farmers were going broke producing grain at 98 cents a bushel; they're going broke producing it at \$1.50 a bushel or \$1.60 for barley, and these guys are telling them they're getting paid too much. They're saying that the cattle industry needs cheaper grain to survive, to build this dynamic industry in Alberta.

I just don't accept it, Mr. Speaker. I think when you look at the real agenda, the real agenda of this Conservative government is to get rid of the Crow benefit altogether. Now, that might come as a surprise to some people who don't read farm periodicals or people who don't listen to the Minister of Agriculture in the Alberta Legislature, but he's said on more than one occasion that we would be better off if there was no Crow benefit at all. I submit that that's his long-range objective, to get rid of the Crow benefit. It fits in with the Tory philosophy. We on this side of the House think that for the minister to argue in favour of getting rid of one of the very few benefits that accrue to western Canadians as a result of our part in Confederation, one of the few things that ships \$720 million back westward, an injection of money into the prairie economy from the federal coffers – for them to argue to get rid of that at a time when grain prices are lower in real terms than at any time since the 1930s, when farmers are worried about their incomes, their futures, and their survival, is irresponsible.

To advocate hurt in the livestock industry when cattle prices are relatively buoyant and have been for a number of years, when they're protected by a tripartite stabilization program that does have some formula for considering the cost of inputs that now has no cap, thanks to Conservative policy – I don't know what their motive was there to get rid of the cap on that. When you deal with poultry producers or dairy producers, many of them are in supply-managed programs, at least until the Conservatives get rid of them. They're in supply-managed programs that have cost of production formulas built into their returns. So if barley's \$1.50 a bushel, it's \$1.50; if it's \$2, it's factored in, and the price they're allowed to charge the producer for what they produce is adjusted accordingly. So when they talk about hurt, the hurt in the industry that has to be addressed by changing the method of payment, I think it's a phony issue.

What changing the method of payment does is make the whole subsidy, the whole payment, *very* vulnerable. You take something that can be used, maybe by a government that would develop the political courage, as a lever with the railways to improve performance, a \$720 million wedge to tell those railways that they better do their job or else, that they're willing to take that away from the railways. Instead of having an administration system that handles a couple of cheques a year, they want to turn it over and send out 100,000 cheques several times a year to farmers. I submit that it makes it politically much more vulnerable as a payment, that governments trying to balance their budgets in the future on the backs of average people would really look at that and be tempted to get rid of the program altogether. That's why I argue against it.

No, Mr. Speaker; it's the long-range objective of the Conservative government that we have to keep in mind when we deal with grain handling and transportation matters. In respect of the Crow benefit, it's to get rid of the Crow benefit altogether, to get rid of that \$720 million transfer payment, if you will, from Canada to the western provinces and the Peace River part of the province of British Columbia.

Their other objective – and it's a very curious one, Mr. Speaker – is to align our grain handling and transportation system in such a way that it's even more profitable for railways, even more profitable for railways. In fact, the Member for Cardston mentioned someone who is an associate deputy minister of economic development or something and the wonderful presentation he gave at some symposium. I remember the same gentleman making some comment about how their policy objective, Conservative policy objective, is to make the cost of shipping grain by rail high enough that trucking becomes competitive. I mean, that's Tory economics for you. It's no wonder these guys have built up a \$12 billion deficit in only five years, with that kind of economic thinking.

5:00

Well, we should be looking for ways to capture savings, make the system efficient without hurting people. With the growing interest in environmentally sustainable methods of doing things, you'd think these guys would be promoting rail transportation rather than trying to get rid of all the branch lines, envisioning a system where there are two tracks going across Canada, one east and one west, where everybody would have to haul their grain hundreds of miles to service the railway's needs to make handsome profits. You'd think they would have the developmental needs of western Canadian communities in mind when they come up with policies, not the profit needs of railways. It's caused them to argue in favour of variable rates, incentive rates, getting rid of any of the things that have encouraged a sort of co-operative, "we're in this together" kind of environment in western Canada, and I think it's a shame. I think that's what's behind this government's desire to get rid of the Crow benefit and expose producers, with nothing to offer them on the other hand, to the ravages of the so-called free market, which I don't believe exists, Mr. Speaker.

Instead of advocating changing the method of payment, instead of trying to make one sector more viable at the expense of another, pitting the interests of livestock producers against the interests of grain producers, I think we should look for ways of trying to develop policies that enhance agriculture overall. We've suggested in the past that instead of getting rid of the Crow rate – this was an argument a few years ago and a policy of ours adopted, and I can extend that to getting rid of the Crow benefit. I can say that instead of arguing to do those things, what we should be doing is arguing for extending that benefit to things that are processed from grain and oilseeds. It's curious that I haven't heard the Member for Lloydminster stand up and talk about what the loss of the canola crushing facility in Lloydminster means to his community. But certainly, if we'd been able to extend the benefits of the Crow rate to products processed from grain and oilseeds, we wouldn't be in this mess today. That plant would still be there, Mr. Speaker. I think it's important to have an overall view of the whole industry with the best interests of western Canada in mind when we come up with policies.

So we didn't hear much from the government after they persuaded the Alberta Wheat Pool to adopt a position with some promise of addressing the dilution factor, although we didn't see anything concrete. We didn't hear anything for several months, until the GATT negotiations in Geneva came to a boil and until farmers were really concerned about their futures, having harvested in many parts of the province a fairly decent crop and, prices being very poor, people realizing that their incomes are going to be down. The government came up with this Freedom to Choose document. No consultation with

the Alberta Wheat Pool, who had tried to co-operate with the government to come up with something that might be good for grain producers in the province; no attempt to consult with them. We think it was a betrayal of the best interests of the Alberta Wheat Pool.

They came up with this Freedom to Choose document, and this is the new panacea. This is the new panacea, according to the Conservative politicians; this is what will pave the streets of rural Alberta with gold. All we have to do is get rid of the Crow benefit, replace it with Freedom to Choose, and everybody will be better off as a result. We've heard it, the Minister of Agriculture saying that we don't need a deficiency payment for grain producers in western Canada this year, that all we need to do is adopt Freedom to Choose. We have the Member for Wainwright, in an exchange with the Minister of Agriculture, agreeing that what we need to make an ethanol industry viable in western Canada is adopting Freedom to Choose. Mr. Speaker, what we need to make an ethanol industry viable in western Canada, in the province of Alberta, is a government that's committed to the long-term developmental needs of this province. We need a government that's not so blinded by their association with the oil industry in the province that they can see clearly the environmental, economic, and agricultural benefits of an ethanol industry in Canada. It's going ahead in every other province in western Canada; it's not going ahead here, and it's because of the government.

I'm most amused by Conservative members starting to talk about how it's almost viable and would be viable if we only lowered the value of grain; you know, lowered the amount of money that producers get paid for the grain they grow, even though the grain, as I remind you, is lower in real terms than at any time since the 1930s. No; according to them, we don't need to extend the benefits of the farm credit stability program; we don't need deficiency payments; we don't need any of these government programs. All we need to do is adopt Ernie Isley's Freedom to Choose, Mr. Speaker. I wouldn't be surprised if I hear government members standing up in days ahead and saying that what we need to solve the medicare crisis in the province – described by them as a crisis – is adopt Freedom to Choose; what we need to do to bring equity for education in rural Alberta is adopt Freedom to Choose; what we need to address virtually any concern of people in Alberta is adopt Freedom to Choose. Well, I think that's just a bunch of malarkey. We called it "freedom to lose," freedom to go broke, because that's exactly what that agreement is.

The Alberta Wheat Pool did an interesting analysis, and perhaps members may have someone waiting in the wings to address these figures analyzed by the Alberta Wheat Pool. I'll be interested to see. The Alberta Wheat Pool did a little analysis of this Freedom to Choose document and came to the conclusion – and I'll quote briefly, Mr. Speaker.

Farmers who produce grain for export would be big losers under the Alberta government Crow Bond proposal.

A quick calculation indicates that much of the assistance currently provided to producers of grain shipped off the Prairies would be transferred to landowners of improved hay and pasture land and to consumers of domestic feed.

They give three examples, Mr. Speaker. Number one is of a northern Alberta producer who [has] 1,000 acres of grain land and grows only wheat for export.

A lot of calculations in there, but they determined that because of increased costs of shipping their grain, the \$23 a tonne that they lose the moment they deliver that grain to the elevator, over the 15 year term of the bond the loss would [be] \$126,855. At maturity the bond would be cashed at its face value of \$82,889.

This would leave the farmer in a net loss position of \$43,966 over the 15 year period.

MR. ADY: What about the interest?

MR. FOX: The Member for Cardston is welcome to get up and refute these figures if he can.

I'll skip the second example because it shows a producer in central Alberta who more or less breaks even over time. The really interesting one is the third example they provide,

a 1,000 acre farm in the southeast part of [the province] that produces 500 acres of tame hay and contains 500 acres of improved pasture and keeps 500 steers on feed. This farmer would receive \$85,903 in interest from the bond during the 15 year term. He would incur no

additional costs of shipping grain to export because, of course, he doesn't ship grain to export.

He would also benefit from a \$13 per tonne drop in barley prices as he buys about 1,275 tonnes of feed.

Calculate that it would save him \$248,625 over the 15-year term.

The barley cost savings, the bond interest payments, and the value of the bond at maturity creates a total benefit of \$397,460 during the term of the bond for this producer.

It is nothing more than a scheme to transfer – and I can't use the term "wealth" because there certainly isn't any wealth in the grain industry – money from the grain producer to the livestock producer in the province. I think it's unacceptable, Mr. Speaker.

I argued earlier for extending the benefits, to come up with some creative proposal that would not try and impoverish the grain producer any more than Conservative policy already has, Mr. Speaker, and we could enunciate a number of policies that have had that effect. The loss of the two-price system for wheat; you remember the two-price system for wheat, hon. members? That's when farmers were paid \$7 per bushel for the amount of wheat that was used for domestic human consumption in Canada. So for at least a portion of the grain that a farmer produces, the portion of the wheat he produces, he was paid fair market price for it. The Conservatives got rid of it in anticipation of the free trade deal only after Brian Mulroney had promised a program that I think would increase that domestic ceiling to \$11 per bushel. He made some promise about that, then had a change of heart, saw the free trade deal looming on the horizon and scrapped the program. Overnight the domestic price dropped to \$3.75 a bushel, even though the price of bread kept going up, Mr. Speaker. That's been a substantial loss of income for grain producers not addressed by Conservative governments either provincially or federally.

5:10

We could talk about the impact of undermining the activities of the Canadian Wheat Board by taking oats away from Wheat Board jurisdiction. What's been the impact on price? Maybe members would stand up and tell the world on record how the price has dropped – what? – from \$2 a bushel to 60 cents a bushel in that period of time. Maybe they'll get up and talk about what the impact was on grain producers in their own constituencies of the government getting rid of the interest free component of the cash advance system last year. It was only after much arguing from New Democrats in Edmonton and Ottawa that Mr. Mazankowski finally came to his senses and agreed to at least a one-year reprieve on that issue.

No; there are a number of things that this government has done in a very deliberate way to take dollars out of the pockets of grain producers of western Canada. This proposal to change the method of payment in such a way that it not only takes those

dollars away from grain producers but gives them to livestock producers I think is irresponsible. When the minister tries to mask them in terms of this language, "freedom to choose" – you know, wanting to give producers some freedom to choose their future, recognition of the democratic rights of producers – I have to refer members to the issues I was just mentioning. Where were they . . .

[Mr. Fox's speaking time expired]

### Speaker's Ruling Decorum

MR. ACTING DEPUTY SPEAKER: Just prior to proceeding to the next speaker, I would like to draw to the attention of the Assembly and of the Member for Vegreville that the Speaker noticed what the Speaker regards as a rather disrespectful act in the throwing of a document in the House earlier. I would like to indicate that that is not acceptable as far as the decorum of the House is concerned.

The Member for Lacombe.

### Debate Continued

MR. MOORE: Well, thanks, Mr. Speaker. I think there's one point I'd like to make very clear to start off with, and that is the incorrectness of a statement by the Member for Vegreville. He said on many occasions that the policy of this government was to do away with the Crow benefit program. Now, I want it clearly on the record that that has never been the policy, it isn't the policy, and it won't be the policy. Our policy is pay the producer, not the railroads. I hope to enlarge in the next few minutes on why I say not the railroads. They've raped the west long enough, and it's time we started looking after our farmers and the interests of our farmers, even though the Member for Vegreville is not interested in that. He'd rather keep the corporate body of the railroads happy.

[Mr. Deputy Speaker in the Chair]

Now, if we look at it, Mr. Speaker, the original Crow benefit was a western development policy. It was a policy for western Canada. It reduced the cost of the settler's goods coming in and the little bit of grain and what he produced to go back to central Canada. Now, the impact of the policy today is exactly the opposite from the original intent. Seventy percent of the rail traffic originates in western Canada. This policy does not apply, so we should be looking at it and looking at it seriously if we are interested in correcting the inadequacies of the transportation system and the way it detrimentally affects our farmers. The present system is not working. We can see that our processing industries have all crumbled because the benefits flow to central Canada through this archaic system we have in place. We can see the jobs it exports when we see our raw materials going to other areas and see all the processing jobs that should be here being exported. But the man from Vegreville and the so-called champions of the workers: export those jobs; don't protect those jobs here. No, export them out of the country. I can't buy that one minute, because I am with the workers of this country. We will work with them, as we have in the past, and we will work to change this inadequate system so that it does work for farmers, does work to create jobs, and does return benefits to the agriculture sector.

Now, I want to look at the railroads just for a moment, Mr. Speaker. We have here in the Crow rate – the way it's presently set, I call it a welfare system being exploited by the railroads,

and that's exactly what it is. They charge rates to haul grain to the coast of around \$31 a tonne. They do that in cars provided by governments and other sources. They don't even provide the cars; they're provided by the Alberta government, the Canadian government, the Saskatchewan government. They get their rolling stock put in there, and they haul it for \$31 a tonne. They're great heroes under that. The man from Vegreville says they're great, that we should continue to support this sort of thing, \$31 a tonne. It is a welfare system in legislation, and we want to change it.

[Mr. Speaker in the Chair]

Mr. Speaker, it's very, very clear that they are, in no other terms, ripping off our agriculture sector. Those very same railroads buy their coal cars. They ship coal from the province of Alberta for about \$24 a tonne and buy their own rolling stock. They don't ship near as much grain. So in economy of size you'd think they could run our grain a lot cheaper than they can run a little bit of coal out of here when the government provides them the rolling stock. No. The man from Vegreville says this is great; this is the way we should support these big railroads. I always thought the people across the way said we were the friends of the big corporations ripping off the little guy. I've heard that so often, and there the champion of the big corporations, CPR, CNR, sits proud in his seat. I tell you, I hope the farmers of western Canada are proud of him.

Let's look at these railroads. They're going to haul that little bit of coal out of here for \$24 a tonne and soak it to the farmers for \$31 a tonne. Do you know what the turnaround time is? They aren't in a hurry to get the cars back here, because they don't care. They've got a captive audience under this Crow rate that should be maintained. The turnaround time for coal cars is about five or seven days. By turnaround time I mean from the time it goes out and comes back. They can really move a lot of coal, can't they? They own the cars, and they're going to utilize them. We provide the cars, and all our farmers sit here about 28 days waiting for cars at peak time. Even at the best of times in the last few years it's been 21 days' turnaround time. But they can do coal cars. They can zip out and unload. They dump the same way: right out the bottom, down a shaft, away it goes.

That's that railroad the Member for Vegreville thinks is doing such a wonderful job: "It should be protected; I really believe it should." But I don't, from a farmer's standpoint, think that. They know what's going on, and I can tell you, the inefficiency of the system has carried right through into the grain handling systems that hold these farmers captive.

Let's talk about the other part of it, the inefficiency of the handling of grain. If it were left to the farmer to decide, he might haul it by truck; he might do anything. Then you would see the grain handling systems, including the mighty pools, smarten up. I can tell you this because the pools and the other grain companies say: "We must take this grain to the coast uncleaned. We will clean it out there." Do you know something, Mr. Speaker? Around 225,000 to 250,000 tonnes of weed seeds are carried to the coast at \$31 a tonne, which the farmers pay for. Then when they get it out there, they extract it. They don't pay the farmers for it. He paid the freight out on it. What a rip-off. That's inefficiency in grain handling, and we stand here in this House and tolerate that. On this side of the House we don't tolerate it. It's a rip-off, and everybody knows it's a rip-off except the mighty pools who are making benefits. Now, I'm telling you, the pools had better change their ways. If

we give the choice to the farmer, you would see the farmer then come around.

5:20

I want to tell you for a moment quickly just how fast these companies turn around, including the pools and the railroads. Just a few years ago, in the memory of people in this House, this government said, you know, that we're an inland province, landlocked, and we have our containers coming from the coast, and the rates these railroads charge to bring our containers into Alberta are exorbitant. We said that our business community deserves and desires a break, and we as a government are going to work for it. So we went to the railroads and we negotiated with them. Both of them came down – never in collusion, though. But they came within about a dollar per container difference, and they gave us the very minimum that they could haul. It wasn't acceptable, because we could look right across the States and see them coming out of Seattle in through the south of Alberta there for a lot less money. We negotiated, but they said: That's final; we can't even budge. That is the best we can do."

Well, this government said: "No; that is not good enough for our business sector. We will put a container port at Coutts. We'll bring it in the American way, and we will bring it into Alberta." Do you know, Mr. Speaker, that as soon as we made the option to buy the land and it was there, within hours – within hours – the two major railroads came back and reconsidered. They said: "We can give you a better rate. We have suddenly looked at it." Do you know something? Not only did they offer one container port for Alberta; they put one in Calgary and one in Edmonton and brought it down to our price. So when they were challenged by this government, they did that for the business sector.

Today we are challenging those other ones, the two railroads again and the grain handling system – the pools and the Cargills and that – on behalf of the farmers. We're going to bring this through. We're going to come to the place where we have to pay the producer, and the farmer will decide where his money goes and how he will ship his grain, and then you will see the pools change their inefficiencies I just spoke about. You'll see the railroads start hauling grain for about the price they haul coal, and then you'll see them turning those cars around very fast and getting them here, because they can whip it out. That will happen. I know it will happen.

Now, let's talk again about how inefficient this system is. I don't know whether you urban people know about producer cars, but the rural MLAs know. It's a system whereby a fanner can arrange to have a car put on a siding. He takes his truck and he's loaded down there and he shovels his weight off, it's augured up into the car, and he fills the car and he ships it. Now, that's a pretty archaic way. That's going back 30, 40 years hence. But, Mr. Speaker, he can do it and make money rather than go through our efficient grain handling system. He can make it and do that, go shovel it off, put it down in an augur, augur it into a car, ship it, and make money. That tells you something, that something's sick about our grain handling system, and that includes the companies that are involved, the pools and the Cargills and the CNs and the CPs. Something is wrong with this system when that can happen.

I just want to finish my story on that. I had the opportunity of meeting with several pool delegates on that particular issue, and they said that this is terrible, that nobody could do it that way anyway, because if everybody did it, you just couldn't handle those cars coming into the coast, one car here and one car there

coming in. They convinced us. It sounded reasonable until I was with a delegation, and I met with the pool manager and the UGG manager at the terminal in B.C. I said: "What of these producers cars? Do they jam up your works when you're unloading a hundred-car train coming in here and you've got a producer car?" He says, "What do you mean? Every car that comes in here gets a slip and the name of who ships it, and it becomes property of the grain board at that point. It doesn't make a bit of difference." But do you know what? That grain handling system that our friend over here talked about, the pools and the Cargills, lobbied the federal government and said that this was screwing up . . . Pardon me; I withdraw that. That's unparliamentary, Mr. Speaker. . . . that they had sort of a wrong approach. They stopped 10 percent of the cars being allocated as producer cars and cut it down to 5 percent. That's why we need the producer to be in charge.

I think pay the producer is the way. I could go on here for another half hour, but at the moment I think there are others that want to get in before the time of 5:30 arrives.

SOME HON. MEMBERS: Question.

MR. SPEAKER: Question?

The Member for Cardston.

MR. ADY: Thank you, Mr. Speaker. As the mover of Motion 221, I'd like to thank those who have participated. The word "distortion" was used a great deal in discussing the Crow benefit, and certainly the members opposite caught on to that word and distorted many things here today. However, I do appreciate their participation, and I'd like to move Motion 221 before the Assembly.

[Motion carried]

MR:GOGO: Mr. Speaker, the business of the House tonight will be second readings of Bill 38, the Loan and Trust Corporations Act, and the continuation of Bill 57, the Electoral Boundaries Commission Act.

(The Assembly adjourned at 5:26 p.m.)

