

Legislative Assembly of Alberta

Title: **Wednesday, May 12, 1999** 1:30 p.m.

Date: 99/05/12

[The Speaker in the chair]

head: Prayers

THE SPEAKER: Good afternoon. Let us pray.

O Lord, guide us all in our deliberations and debate that we may determine courses of action which will be to the enduring benefit of our province of Alberta.

Amen.

Please be seated.

head: Introduction of Visitors

THE SPEAKER: The hon. Minister of Intergovernmental and Aboriginal Affairs.

MR. HANCOCK: Thank you, Mr. Speaker. I'm pleased to introduce to you and through you to members of the Assembly Ukraine's ambassador to Canada, His Excellency Volodymyr Khandogiy. I'd like to welcome His Excellency on his first official visit to Alberta since his appointment last December.

Ukraine and Alberta have always had strong cultural ties. More than 259,000 Albertans are of Ukrainian descent. Although Ukraine is not currently one of Alberta's main trading partners, we do believe that future opportunities exist for increased two-way trade between our regions.

Alberta and Ukraine have a very active government-to-government relationship, an example being the Canada/Ukraine legislative co-operation project. We look forward to building upon our important historical relationship with Ukraine, and we wish the ambassador an enjoyable and productive stay in our province.

I'd ask the ambassador now to please rise and receive the traditional warm welcome of our Assembly.

head: Presenting Petitions

THE SPEAKER: The hon. Member for Edmonton-Centre.

MS BLAKEMAN: Thank you, Mr. Speaker. With your permission I would like to present a petition with 103 names with signatories from Red Deer, Didsbury, Olds, Sylvan Lake, Eckville, Penhold, Lacombe, Blackfalds, Drumheller, and Rosedale. These citizens are asking the government to

increase funding of children in public and separate schools to a level that covers increased costs due to contract settlements, curriculum changes, technology, and aging schools.

Thank you.

THE SPEAKER: The hon. Member for Edmonton-Mill Woods.

DR. MASSEY: Thank you, Mr. Speaker. With permission I'd present an SOS petition urging

the Government to increase funding of children in public and separate schools to a level that covers increased costs due to contract settlements, curriculum changes, technology, and aging schools.

These citizens are in Fort Saskatchewan, Onoway, Plamondon, Beaumont, Ardrossan, Innisfree, Minburn, and Mannville.

Thank you, Mr. Speaker.

THE SPEAKER: The hon. Member for Calgary-Buffalo.

MR. DICKSON: Thank you, Mr. Speaker. I'm delighted this afternoon to present a petition signed by 108 Calgaryians, mainly in the communities and constituencies of Calgary-Fish Creek, Calgary-Shaw, and Calgary-Nose Creek. These 108 Calgaryians are urging the Assembly and

the Government to increase funding of children in public and separate schools to a level that covers increased costs due to contract settlements, curriculum changes, technology, and aging schools and, to the Premier, an adequate amount to ensure that we've got first-class education in the province of Alberta.

head: Reading and Receiving Petitions

MRS. MacBETH: Mr. Speaker, I'm pleased to ask that the petition standing in my name on the Order Paper for the SOS parents be now read and received for the first time.

Thank you.

THE CLERK:

We the undersigned residents of Alberta, petition the Legislative Assembly to urge the Government to increase support for children in public and separate schools to a level that covers increased costs due to contract settlements, curriculum changes, technology, and aging schools.

head: Tabling Returns and Reports

MR. KLEIN: Mr. Speaker, I'm pleased to table the report on the Team Alberta Premier's mission to the Pacific Northwest and Mexico. More than 40 Alberta companies participated in all or parts of the trade mission in January. You'll see in the report that the response from these companies has been very positive. We were successful in opening doors at high levels, speeding negotiations, and gaining publicity and profile for Alberta companies, as well as concluding several contracts and agreements. All in all, the trade mission was a success, and I encourage all hon. members to read the report.

Mr. Speaker, a second tabling. I am pleased to table five copies of a summary of the government public consultations held in Alberta last year. Nearly 770,000 Albertans telephoned us directly, an increase of more than 100,000 from the previous year, and 30,000 Albertans attended public meetings and workshops. We also received more than 116,000 submissions through public hearings and meetings. We continue to listen and to respond to the interests and concerns of Albertans.

THE SPEAKER: The hon. Minister of Justice and Attorney General.

MR. HAVELOCK: Thank you, Mr. Speaker. I'm pleased to table this afternoon five copies of three separate letters to the MLA for Edmonton-Norwood dated May 12, 1999, in response to written questions 128 and 129 and Motion for a Return 115.

THE SPEAKER: The hon. Member for Edmonton-Riverview.

MRS. SLOAN: Thank you, Mr. Speaker. I'm pleased today to table five copies of a message delivered at noon hour in hospital and community settings across the province to recognize International Nurses' Day. The Official Opposition is proud today to wear a black and white ribbon as a message of solidarity and loss that nurses are acknowledging as they celebrate this day across Canada and the world.

Thank you.

THE SPEAKER: The hon. Member for Edmonton-Gold Bar.

MR. MacDONALD: Thank you, Mr. Speaker. I have two tablings this afternoon. The first is a letter dated March 30, 1999, from Arno Birkigt, chairman, Municipal Safety Codes Inspection Commission, urging everyone to support his ideas in the miscellaneous statutes amendment act relating to the Safety Codes Act.

My second tabling today is from a group, ECMAS. They are urging that Bill 16 be held back until amendments that they consider necessary are put forward.

Thank you.

MR. JONSON: Mr. Speaker, on May 6, 1999, I tabled the responses to questions asked in the March 22 supply subcommittee and April 12 main estimates. Due to an error in copying, pages 59, 60, 62, and 63 were not included. I would like to provide the respective pages.

THE SPEAKER: The hon. Member for Edmonton-Highlands.

MS BARRETT: Thank you, Mr. Speaker, two tablings today. The first, a copy of an e-mail letter sent to the Health minister from the Senior Citizens Sunshine Club of Vegreville expressing grave concerns that St. Joseph's hospital in Vegreville is losing intermediate care beds because the commitment to long-term care bed facility construction has not been met by the regional health authority or the province.

Five copies as well of an amendment that I propose to the Health Professions Act. I won't get technical about it. It would have the effect of preventing the College of Physicians and Surgeons from accrediting for-profit, overnight-stay hospitals.

THE SPEAKER: The hon. Member for Edmonton-Strathcona.

DR. PANNU: Thank you, Mr. Speaker. I have copies of two letters to table today. The first letter is addressed to me by Dr. Lee Foote, one of my constituents, expressing his opposition to Bill 15, the Natural Heritage Act.

The second tabling is copies of an e-mail letter addressed to the Premier by Gareth Thomson, education director of the Canadian Parks and Wilderness Society, expressing his concern about the lack of protection provided for Yamnuska natural area, so declared by the government two years ago.

Thank you, Mr. Speaker.

1:40

THE SPEAKER: The hon. Member for Edmonton-Norwood.

MS OLSEN: Thank you, Mr. Speaker. I'd like to table five copies of the factum from the Attorney General's office in relation to the Eurig decision in the Ontario courts. This factum will show that the government didn't intend to review all user fees and premiums until the court ordered them to do so.

Thank you.

THE SPEAKER: The hon. Member for Edmonton-Ellerslie.

MS CARLSON: Thank you, Mr. Speaker. Today my tabling is 14 letters from Albertans to the Premier, who are grateful that the Premier "understands the importance of properly managing Alberta's natural values" and expect him as a result to withdraw Bill 15, the Natural Heritage Act, until it can be redesigned to properly protect natural areas in this province.

THE SPEAKER: The hon. Member for Edmonton-Calder.

MR. WHITE: Thank you, Mr. Speaker. I have two tablings today. The first is a letter from Jim Wiseman from Red Deer expressing his concern about the extent of logging in the eastern slopes, particularly between Nordegg and Sundre, and the need to protect the wilderness for recreation uses, especially those west of the Forestry Trunk Road.

The second, sir, is a series of photographs from a resident of Rocky Mountain House and, incidentally, a member of Friends of the West Country. He's also very concerned about logging in the same area as Mr. Wiseman, and these photographs show the clear-cutting in four different locations west of Rocky.

THE SPEAKER: The hon. Member for Edmonton-Glenora.

MR. SAPERS: Thank you, Mr. Speaker. I have two tablings today. The first tabling is the appropriate number of copies of a letter from Mr. Eklund of my constituency. The 79-year-old Mr. Eklund writes regarding the plight that he finds himself in as a longtime taxpayer in the province of Alberta. He figures that government policies have cost him \$1,810 this year, and he would like this government, that's "roller skating" very high right now, to understand the significant degree to which seniors are suffering in the province as a result of their policies.

The second set of tablings I have, Mr. Speaker, is a number of copies . . . [interjection] That's what happens in the House, Mr. Premier.

A number of further amendments to Bill 35. These amendments would deal with all of the 14 school divisions and make sure that any of the fees and charges levied by them be subject to the same freeze as the other . . .

AN HON. MEMBER: You tabled that the other day, Howard.

MR. SAPERS: These are new ones.

Thanks, Mr. Speaker.

head: Introduction of Guests

THE SPEAKER: The hon. Deputy Speaker.

MR. TANNAS: Thank you, Mr. Speaker. On your behalf I'm pleased to introduce to you and through you a group of extraordinary individuals who are seated in the members' gallery this afternoon. They are 45 seniors who have traveled from Barrhead this day to witness their MLA and their provincial Legislature at work. Accompanying them from Barrhead family and community support services is Mrs. Shirleyanne Fluet and Mrs. Dawn Koberstein. Again on your behalf, Mr. Speaker, I would ask them now to please rise and receive the warm traditional welcome of the Assembly.

THE SPEAKER: The hon. Member for Lacombe-Stettler.

MRS. GORDON: Thank you, Mr. Speaker. I would like to introduce to you and through you 35 visitors from Clive school, that's located in the Lacombe-Stettler constituency. Accompanying the 23 grade 6 students seated in the members' gallery is teacher Mr. Rob MacKinnon, who happens to be one of my favourite teachers and I certainly hope theirs, parent helpers Mrs. Carina Forsstrom, Mr. Walter Hunter, Mrs. Bev Krochak, Mr. Gary Krochak, Mr. Alvin Nicholson, Mrs. Dixie Schmidt, Mrs. Cecile Stirling, Mrs. Connie Tarnava, and Mrs. Tammy Zaytsoff, and also bus driver Mr. Jerome Wildeman. I would ask that they rise and receive the warm traditional greeting of the House.

THE SPEAKER: The hon. Member for Edmonton-Beverly-Clareview.

MR. YANKOWSKY: Thank you, Mr. Speaker. It's a pleasure for me to rise and introduce to you and through you 17 students from Kirkness school, which is located in my constituency. They are accompanied by their teacher, Mr. Mark Karstad, and parents Marybeth Masse, Deb Lomas, Cheryl Griffith, Carmen Ortloff, Juliette Inglis, and Marlene Rybie. They are seated in the members' gallery. I would like to ask them to rise at this time and receive the very warm welcome of this House.

THE SPEAKER: The hon. Member for Edmonton-Manning.

MR. GIBBONS: Thank you, Mr. Speaker. I'd like to introduce to you and through you to the Members of the Legislative Assembly 19 guests from M.E. LaZerte high school, a class of grade 10 students with their teachers, Mr. Ken Wright and Ms Christine Fowke. Ms Christine Fowke was also a teacher of my son when he went to M.E. LaZerte. M.E. Lazerte is also holding their grade 12 grad tonight at the Winspear. The grade 10 students here are seated in the public gallery. With your permission I'd like to have them stand now and receive the warm welcome of the Assembly.

THE SPEAKER: The hon. Member for Spruce Grove-Sturgeon-St. Albert.

MRS. SOETAERT: Thank you, Mr. Speaker. It's my pleasure today to introduce to you and through you to all the members of the Assembly my STEP student for the summer, Jennifer Krauskopf. She is presently studying medieval history at the U of A. I would ask her to please rise and receive the warm welcome of the Assembly. [interjection] What goes on here will help.

THE SPEAKER: The hon. Member for Edmonton-Norwood.

MS OLSEN: Thank you, Mr. Speaker. I'd like to introduce to you and through you to all Members of the Legislative Assembly Mrs. Olga Logvynenko, a longtime teacher at Highlands junior high school, her daughter Daria Horbay, and her longtime friend Maria Dytyniak. If they would now rise and receive the warm welcome of the Assembly.

THE SPEAKER: The hon. Member for Livingstone-Macleod.

MR. COUTTS: Thank you, Mr. Speaker. It gives me great pleasure today to introduce to you and through you to members of the Assembly Mr. Matt Morrison. Mr. Morrison comes to the capital today from the city of Seattle, where he is the CEO of Pacific Northwest Economic Region, known as PNWER. He is spending some time today working with government departments and myself as president of PNWER to plan the summer conference for PNWER being held in this city June 20 to June 22. He's seated in the public gallery. I ask him to please rise and receive the traditional warm welcome of the Assembly.

MS EVANS: Mr. Speaker, it is my pleasure to introduce today to you and through you to this Assembly a young woman who is an avid traveler, a proficient Irish dancer, a Rutherford scholarship winner, excelled when she graduated from A B J school in Sherwood Park, voted most likely to succeed, a political science student at the University of Alberta now working in my office in the Sherwood Park constituency, Maeve Cahill. Please stand, and let members please welcome her.

THE SPEAKER: The hon. Member for Calgary-Glenmore.

MR. STEVENS: Thank you very much, Mr. Speaker. On behalf of the hon. Member for Bonnyville-Cold Lake it is indeed a pleasure to introduce to you and to members of this Assembly two very special people: the member's mother, Martha Kaehn, and the member's wife, Rose Ducharme. I would ask them to stand and receive the traditional warm welcome of the Assembly.

head: Oral Question Period

THE SPEAKER: First Official Opposition main question. The hon. Leader of the Official Opposition.

School Performance Incentive Program

MRS. MacBETH: Thanks, Mr. Speaker. How much is enough when it comes to investing in our children's education? Well, that really depends on what your goals are, and currently the important goals of excellence and safe, caring schools are not being met because of an impasse with this government. Where these goals are being met it is because of the hard work, the sacrifice, the volunteerism, and the fund-raising efforts of parents, teachers, and concerned corporate citizens. Amidst all of this the government wants to divert \$66 million of scarce education resources into a school performance incentive program that would benefit those schools that are already doing well. Today four provincewide education associations have proposed a very constructive school improvement program that would benefit all schools as an alternative to what the government is trying to force onto them. My questions are to the Premier. Given that the Premier and the Minister of Education have chosen to ignore the over 11,000 citizens who are petitioning to help our schools, is it government's intention to ignore as well the concerns of Alberta teachers, trustees, school councils, and superintendents regarding this proposed school improvement program?

1:50

MR. KLEIN: Mr. Speaker, first of all, we haven't ignored anyone in this province relative to funding for education: from 1995 to the present \$400 million thereabouts; this year and for the year after and the year after that another \$600 million, an average of 6 percent a year over six years, a 36 percent increase in education funding. That is hardly ignoring the needs of the education service in this province.

Relative to the issue that the hon. member raises, I met privately earlier today with Bauni Mackay, the head of the ATA in Alberta. She presented that document to me and the Minister of Education. I haven't had a chance to review it. Will we ignore it? No, we won't ignore it. We'll give it the fullest consideration that the document deserves, Mr. Speaker. We have only had the document now for about two and a half hours, and we will take some time to consider the recommendations that were raised by the four bodies involved with education.

If the hon. minister wishes to supplement, I'll ask him to do so.

MR. MAR: Mr. Speaker, I want to make it very clear that this incentive program is not about challenging schools to do better than other schools. It's not even about challenging school jurisdictions to do better than other school jurisdictions. The way that this incentive program is designed is for school jurisdictions to improve on their own historic results.

Mr. Speaker, we believe in accountability of education, and as a result this is a logical extension of that accountability. We think that school boards have been doing a very good job of making sure that their performance is doing well, but if they can improve on their

historic performance, that should be recognized, and that is what I find not correct about the Leader of the Opposition's comments on what this program is intended to do. It is intended to reward performance based on your own historic performance as a jurisdiction.

MRS. MacBETH: Mr. Speaker, did the minister consult with key educational leaders in this province before proceeding with the announcement of the school performance incentive program in the budget this year?

MR. MAR: Mr. Speaker, as the Premier has indicated, that consultation process always takes place. Yesterday I met with the chair of the Alberta School Boards Association. Today we've met with the president of the Alberta Teachers' Association. Tomorrow I'll be meeting with people from the home and school association.

Upon my brief review of the memorandum that the Premier referred to in his response, it appears that there are some things that can be improvements to this program. Mr. Speaker, it's not written in stone. We will consult with these groups. But the money's been set aside in the budget for this program, and now we will undertake to put in place whatever structures need to be put in place in order to ensure that this program is successful.

MRS. MacBETH: Mr. Speaker, is the minister open to considering replacing his top-down incentive program with the innovative bottom-up improvement program which these educational leaders have crafted and which they are offering to the government?

MR. MAR: Well, as I've indicated, Mr. Speaker, the program is not written in stone. The budget was set aside for an incentive program. Can we improve that program through working with our stakeholders? Of course we can. So I don't view this as being a top-down type of direction. It is something that we're open to. I think that upon review of the program we'll ultimately have, people will be very encouraged with what they see.

THE SPEAKER: Second Official Opposition main question. The hon. Leader of the Official Opposition.

Electric Utilities Deregulation

MRS. MacBETH: Thanks, Mr. Speaker. When the Premier and his Minister of Energy decided to barge ahead with electricity deregulation in 1998, they promised Albertans five pillars: increased competition, greater efficiency, security of supply, better service, and downward pressure on electricity prices. An independent assessment team has been working for months on the auction of power purchase arrangements that were designed to increase competition and lead to lower prices for consumers. Well, something has gone amok. It is becoming more apparent with each passing day that the government's seat-of-the-pants approach to electricity deregulation is either an exercise in massive government reregulation or, worse, a model for central planning. A report recently released by the Industrial Power Consumers Association of Alberta makes it clear that Albertans face higher costs and none of the benefits of deregulation. My questions today are to the Premier. Will the Premier explain to the people of Alberta how one of the pillars of his Tory revolution has begun to crumble?

MR. KLEIN: Well, Mr. Speaker, nothing has begun to crumble.

You know, Mr. Speaker, two days ago I was in Vancouver to receive the Fraser Institute award for fiscal responsibility, declaring

Alberta's fiscal performance not only the best in Canada but the best in North America. I'm sure that when this institute was doing its research, they took into account our handling and our approach to all programs, including the deregulation of electricity.

It simply stands to reason: when you have competition, prices tend to go down. When you have people who are given the opportunity to explore and to bring about alternate forms of energy, that feeds into the competitive pool, and prices go down. Competition, good solid competition always, without exception, Mr. Speaker, brings about lower prices.

If the hon. Minister of Energy wishes to supplement, I'll have him do so if he wants to.

DR. WEST: Well, Mr. Speaker, I may wait for a follow-up question, because this is an innuendo, an allegation brought out through a report from one of the vested groups. Doom and gloom management on assumptions can be brought out by any of them. I mean, this is the user's, the industrial power consumers, but then I could have another report done by the generators. I could have another one done by the wire business, and everyone would have a different hypothetical doom and gloom.

I will wait for a minute until I see if there's any substance to the follow-up question.

MRS. MacBETH: Well, Mr. Speaker, my question to the Minister of Energy is: can he tell the people of Alberta what they can expect from his deregulation? Is it lower service levels, or is it higher costs?

2:00

DR. WEST: Mr. Speaker, the question is trying to lead us as a government to start to predict the marketplace. They would like to have us hypothetically measure the amount of residual value or the stranded costs without an independent assessment team. We hired people who are professionals throughout the world that have dealt with deregulation and with power purchase agreements throughout the world. We hired them because we didn't want a government arbitrarily setting the marketplace into the future.

If this hon. member wants to stand in this Assembly and say as a Liberal opposition that if they were in power, they would interfere in the marketplace by arbitrarily picking winners and losers, then stand up and say so.

MRS. MacBETH: Mr. Speaker, what backup plan does this minister have should his own auction process fail? Is it to buy more power from NDP governments in British Columbia and Saskatchewan, or should Albertans start stocking up on more candles?

DR. WEST: Mr. Speaker, this is a very, very complex issue, electrical deregulation. I hope that you will indulge me in the Assembly while I clarify the backup plan that she asked for so that she can get an understanding of the complexity of this issue.

The power purchase arrangement is a long-term, contractlike arrangement that determines what the owners or operators of electric generating plants receive for the plants' output. Alberta has hired an expert independent assessment team to design the power purchase agreements for all existing regulated generating units in Alberta and to recommend the design of auction to be held in the year 2000.

The intent is to auction off these power purchase agreements to marketers who arrange for the sale of power from the plants. The auction of power purchase agreements will increase competition in the generation market by splitting the output of a utility generator among several marketers. For example, a single utility seller

currently offers power from several plants. This will be replaced with a number of marketers competing to offer power from individual plants. It is possible that not all power purchase agreements will sell in the auction. Bids on power purchase arrangements may be deemed to be too low; for example, the bids do not achieve a reserve price that the IAT may set. It is also possible that the auction could be canceled. [interjections] Are they listening? Because that's in the report.

The Electric Utilities Act requires that an auction be canceled if not enough units receive bids above the reserve price set by the independent assessment team. The IAT will recommend what the minimum number of units should be in order to proceed with the auction. The Electric Utilities Act includes the default plan of having the IAT convert the power purchase agreements to long-term financial instruments in the event that the auction is canceled.

Electrical deregulation does not depend on an auction process, but it may be one of the tools that we can use to get a maximum residual value return to the people of Alberta. Investments in the development of the . . .

THE SPEAKER: Third Official Opposition main question. The hon. Member for Edmonton-Calder.

MR. WHITE: Thank you, Mr. Speaker. My questions are again to the minister that was just on his feet giving us a long diatribe on electrical deregulation. Now, this government's approach to electricity deregulation is nothing more than a riddle wrapped in an enigma. [interjections] It's true. That was Winston Churchill, by the way. The report prepared by the Industrial Power Consumers Association, IPCA, identifies major holes in the government's approach to deregulation with the looming prospects of higher consumer prices. The Minister of Energy has rolled the dice on electrical deregulation, and they're comin' up craps. You're supposed to laugh at that one. [interjections] Given the objective of the power purchase arrangements to increase competition, why does the IPCA report say that power purchase arrangements will cost consumers more and will do nothing to solve the dominance of three major players in the utility business in this province?

DR. WEST: Well, Mr. Speaker, I don't know what they base their assumptions on, but as I explained in my answer to the Leader of the Official Opposition, we will be following through with a plan in case the auction isn't successful. Let me say one thing here. Taking a segment out of electrical deregulation and analyzing it for vested groups such as users or generators does not accomplish a good analysis of electrical deregulation. Without a more targeted question and a better prelude into the question than that diatribe, I can't answer it intelligently.

MR. WHITE: Well, if the minister can't answer that one intelligently, how about this one? Will the Minister of Energy tell the members of the consuming public that are waiting for full return on their investment for the existing generation what the criteria of a successful PPA auction will be?

DR. WEST: Well, Mr. Speaker, now I get a chance to move back to where I was in the beginning. If people will draw from *Hansard* the background that I gave on the power purchase agreements, then we will continue from the point where I said: after we have developed the power purchase agreements and we move to an auction, then what is the future plan for Albertans as it relates to that? Well, the Electric Utilities Act includes the default plan of having the IAT convert the power purchase agreements to long-term financial

instruments in the event the auction is canceled. That means that we will protect the interests of the people of Alberta and the residual value that has been determined by subtracting the amount of investment that we as citizens have put into these generating plants less the stranded costs that we are going to attribute to the generators.

Now, investments in the development of the power purchase agreements will not be wasted, as their terms and conditions will form the basis of the financial instruments. Control of the financial instruments could be turned over to an independent third party such as the power pool if needed. The third party would offer the power in at the cost set by the IAT, the cost that includes a return to the people of Alberta of their residual value. Some assume that it could be as high as \$2 billion. Any market value above the cost would be returned to the consumers through the balancing pool. This will ensure that consumers continue to get the residual benefits of the existing generation and the mitigation of market power concerns.

What are the next steps? Deregulation will proceed with or without the auction. This assumes that we're stuck to the option. This analysis done for this group, the Industrial Power Consumers, of course only assumes one thing. It assumes that we're going down a path that is absolutely dependent on . . .

THE SPEAKER: Hon. minister, let's assume that there may be a supplemental question.

MR. WHITE: Thank you, Mr. Speaker. In that the minister has just said that either regulation or auction are the only two ways that you're going to settle this problem, tell me: on the auction side with the three major producers, one of them producing 60 percent of the power, being the offering in an auction, and 60 percent of the power being purchased by one purchaser, how do you have a reasonable auction?

DR. WEST: Well, trying to read this into the record so that Albertans can understand it is difficult. The power purchase agreements will remove control over around 7,500 megawatts, and that's about what we have in the system today. It will remove control over around that much generation from the utilities and transfer them to new players. This will definitely address the market power concerns. They don't turn 60 percent of them over to the existing people. The only amount that could go back is probably about 250 megawatts, which certainly isn't market power in this system.

THE SPEAKER: The hon. Leader of the ND opposition.

AN HON. MEMBER: Finally.

MS BARRETT: Well, you have the Energy minister to thank for that.

2:10

Private Hospitals

MS BARRETT: Mr. Speaker, last week the Premier said that his government might consider a ban on private, for-profit hospitals but that no decision will be made until the fall. The Premier says that he wants more time to hear from Albertans. Well, at this time I'd like to ask the page to deliver yet another 3,500 signed cards to the Premier saying no to private, for-profit hospitals. That brings the total so far to close to 6,000 more coming in. In light of the government's decision to not legalize for-profit hospitals through the front door, at least for the time being, what steps has the Premier taken to ensure that the College of Physicians and Surgeons doesn't do an

end run around the government and approve private, for-profit hospitals through the back door?

MR. KLEIN: Well, Mr. Speaker, the question has been asked before. Certainly I addressed this question as it was asked by the media last week. My reply then was that we thought we had the mechanism in place, and that was called Bill 37. But there was so much opposition from both the Liberals and the NDs and all the people that they stirred up that the bill was removed. This bill would have done precisely what the leader of the ND opposition is asking for right now, and that is to make sure that before anything was approved, it would have a full ministerial review, that it would go beyond the College of Physicians and Surgeons.

So we pulled the bill. We established a blue-ribbon panel to examine the bill. The recommendations have come forward. Those recommendations are now out for public consultation, and, Mr. Speaker, once we receive the results of that public consultation, we'll compile it and hopefully introduce legislation that will give ministerial assurance, thereby government assurance, that whatever we do relative to the delivery of health care services will be in accordance with the Canada Health Act.

MS BARRETT: Mr. Speaker, the Premier himself admitted last year that Bill 37 could open the door to private, for-profit hospitals. Given that . . . [interjections] He did so. I've got the quote downstairs.

Given that, why does the government continue to cling to the ludicrous notion that there is no problem with the College of Physicians and Surgeons developing accreditation standards for private, for-profit hospitals when the government's own blue-ribbon panel report concluded that only the Minister of Health has the authority to approve private hospitals pursuant to the Hospitals Act?

MR. KLEIN: Mr. Speaker, I stand to be corrected – and I'll have the hon. Minister of Health supplement – but I'm sure that that's the question that Bill 37 fundamentally addressed, and that was giving the minister the authority to have that second look.

I'll have the hon. minister supplement.

MR. JONSON: Mr. Speaker, I think it's very important to note that the purpose of the policies and the bylaw changes that the College of Physicians and Surgeons is dealing with is to provide an assessment and then a certification or accreditation of those procedures that require the full services of a hospital to be conducted safely and successfully and those which can be safely and successfully provided in a clinic setting. Now, that is what those changes that are being worked on by the College of Physicians and Surgeons are about. However, yes, there would be certainly a connection to anything that might happen with respect to the debate on the nature of hospitals, because this links in with the standards that have to be in place to operate a hospital.

But, Mr. Speaker, Bill 37 was before the Legislature. It was not satisfactory, obviously, to the opposition. There were House amendments proposed also to that bill in the Legislature, and they were improving the legislation. However, because of the continued undermining and misinterpretation of that bill by the opposition, we realized that we had a communication issue. We drew it back. We had the blue-ribbon panel. They've made their recommendations, and we want to make sure that we have a good substantial period of time for people to contact us with respect to that proposed set of recommendations, and as the Premier has indicated, we will return to the matter later this year.

MS BARRETT: Well, as the Health minister is appearing so amenable on the subject, then will the minister agree to amend the Health Professions Act to make it crystal clear that the College of Physicians and Surgeons would not have the authority to accredit private hospitals? If not, why not?

MR. JONSON: Mr. Speaker, the particular amendment that is being tacked on to the Health Professions Act because there's nowhere else to tack it on I guess right now really doesn't fit with that particular piece of legislation and its purpose in this Assembly. Therefore, I think that if the hon. leader of the ND Party is as interested in consultation now as she was back a few months ago when she was opposing Bill 37, she too would be wise to wait and see what the response from the public of the province is.

THE SPEAKER: The hon. Member for Wetaskiwin-Camrose, followed by the hon. Member for Edmonton-Meadowlark.

School Class Size

MR. JOHNSON: Thank you, Mr. Speaker. The question of class size in our schools has been a subject of much discussion, not only with parents in my constituency but across the province. Last week the minister tabled a report that found that smaller classes do not mean improved student achievement. This week the Alberta Teachers' Association released its position stating the opposite, citing the Tennessee STAR project as an example to prove its case. To the Minister of Education: can the minister tell the House if the department's examination of class size considered this Tennessee STAR project?

MR. MAR: Mr. Speaker, the short answer to the question is yes. The STAR project done in the state of Tennessee was one of the major focuses of the research that was done in the Department of Education with respect to class size and its relationship to student achievement.

Mr. Speaker, it's interesting to note that the popular interpretations of the STAR report are not supported by the very data contained within the STAR project. The positive effects of reduced class size were demonstrated only at the kindergarten level and did not continue with higher grade levels.

It would appear that there were a great number of flaws in the conducting of the research in the state of Tennessee. Perhaps most significantly, Mr. Speaker, the participants in the study were aware that class size and achievement were what was being measured. As a consequence there is some suggestion that the project was engineered in fact to ensure that there would be success in the experiment.

Maybe the final thing that I'll say about the STAR project is that if, in fact, it did demonstrate what people think it demonstrates, then presumably the state of Tennessee would have implemented this as a statewide policy. To the best of my knowledge, Mr. Speaker, that has not been done. I think there are many research papers that have been done subsequently that suggest that the STAR report ought not be considered to be an influential piece of work.

MR. JOHNSON: To the same minister: as the ATA says that class size is effective in classes of 17 students or fewer to a teacher, can the minister tell this House if the government's examination of class size looked at when class size did benefit student achievement?

MR. MAR: Well, Mr. Speaker, even in the STAR project and in other projects involving class size, they use extremely small class

sizes: not even 17; they used 15. What it appears is that where there are positive results obtained in student achievement as a result of these very small class sizes, it is not sufficiently impressive to warrant the enormous expenditure that's involved. It would appear that there are many other interventions that we can do in the education area that are far more cost-effective and have a great deal more impact on classroom achievement rather than simply reducing class sizes.

MR. JOHNSON: My final question to the minister is whether his report looked into how class size impacted on quality of teaching.

MR. MAR: Well, Mr. Speaker, it would appear from a review of the research that one of the methodological problems with the research that was done is that teachers do not appear to alter their teaching habits when they have a smaller classroom size. So as a consequence it doesn't appear that there would be any difference in student achievement because there's no difference in the way a teacher teaches a classroom size of 30 or a classroom size of 20.

2:20

One of the most significant factors in determining classroom achievement is the quality of the teacher. That is something that can be demonstrated, Mr. Speaker. There are other ways of improving teacher quality, which is what we'd like to focus on. There are other ways of improving teacher quality to enhance teacher effectiveness rather than simply reducing classroom sizes.

THE SPEAKER: The hon. Member for Edmonton-Meadowlark, followed by the hon. Member for Calgary-Fort.

Nursing

MS LEIBOVICI: Thank you, Mr. Speaker. A recent government news release stated that there's been a .7 percent increase in the number of registered nurses, but in reality the facts are that Alberta has experienced the third largest drop in registered nurses in Canada, a whopping 8 percent decrease. Not .8 percent, an 8 percent decrease. Yet in the midst of negotiations where nurses are asking for 2,000 more registered nurses and the Provincial Health Authorities is demanding that nurses not have the right to refuse overtime, this government wants us to believe that there is no nursing crisis. My questions are to the Minister of Health. What does this minister hope to achieve by not telling Albertans the real story on Alberta's nursing shortage?

MR. JONSON: Mr. Speaker, first of all, the province of Alberta is one of the few provinces in Canada where there has been a net increase in the nursing supply to the province.

The second thing, Mr. Speaker, is that in our very significant reinvestment in health, some 700-plus millions of dollars over the last three years, another \$935 million planned for the next three years, we have put a top priority on frontline staffing, which, as I've explained several times in the Assembly, is certainly going to have registered nurses as the largest group represented in it.

We recognize that we need nurses in the health care system. We have responded in a concrete way with funding and with the targeting of money, as was done in November of 1996 for an additional 1,000 frontline staff and as we are again doing in 1999, to make sure the money goes for that particular purpose. I would just like to point out, Mr. Speaker, that the system responded. In 1996 we had hoped for an additional 1,000 frontline staff. Our records, because we did hold the RHAs accountable for this and we did get reports back, was that there were 1,424 staff added of which 800

were nurses. So we recognize that there is a need there, but the government has responded in a very substantial way.

MS LEIBOVICI: Given that one of Alberta's top exports over the last six years has been nurses, why does this minister continue to fail to counteract the effects of this exodus?

MR. JONSON: Mr. Speaker, perhaps the hon. member – well, I guess it's unparliamentary. I was going to say: was not in attendance yesterday, but she was.

As I indicated yesterday, we have been working on an overall human resource plan for the health system. We have been in communication with the AARN with respect to the work that they're doing in terms of enhancing nursing supply. Mr. Speaker, as I indicated in response to a question yesterday, I'm pleased to see that there is a significant increase in the enrollment of nurses in both the two- and four-year education programs for nursing in this province. So we certainly are working on what, yes, is an important issue.

MS LEIBOVICI: As this minister won't do the right thing and commit to hiring 2,000 more full-time registered nurses, maybe I can go back to the minister of advanced education. Will that minister reconsider his previous decision and commit extra funding so that the universities of Alberta and Calgary can actually increase the number of spots for nursing students in this province? That's what needs to happen.

MR. DUNFORD: Mr. Speaker, we think that with the access fund in postsecondary education we've devised an excellent tool to respond to the conditions that any occupation is facing in the marketplace. The access funding is there; it's part of our budget. Should any institution wish to submit a proposal such as indicated by the hon. member, we'll certainly be taking that into account.

I might say, though, that in the meantime we are increasing positions or seats in the nursing field.

THE SPEAKER: The hon. Member for Calgary-Fort, followed by the hon. Member for Edmonton-Glengarry.

Infrastructure Projects

MR. CAO: Thank you, Mr. Speaker. The positive pressure growth is welcome across Alberta. It is very encouraging and challenging at the same time in the area of public infrastructure. Be it a public facility or transportation system, the urgency and the demand is real. My question is to our Provincial Treasurer. Does the Provincial Treasurer have information that he has not released that shows even greater pressure coming from unannounced capital investments?

MR. DAY: Mr. Speaker, I don't have information that's being withheld related to announcements of even more private-sector investment on the capital side in the province. Having said that, I can tell you that at any one given time there are any number of businesses and industries that are looking at either expanding their present facilities or, in fact, moving here to Alberta from other provinces. So I'm sure there are other plans out there.

To my knowledge, neither in my office nor the offices of the ministers of Economic Development or of Energy are there pending large projects the announcement of which are being withheld. There may be some, and I expect that over the weeks and months ahead as our economy continues to perform, there will be announcements of even more people moving here and expanding their businesses and hopes and dreams in Alberta. But I am not withholding anything on that. I don't have any information on that area.

I can tell you that the amount of infrastructure support we're

putting in that in this year's budget is \$1.3 billion. Seven hundred million of that will go to highway infrastructure and roads, which is part of the Premier's task force with other municipalities in terms of assisting municipalities with their infrastructure, about \$140 million just in infrastructure for schools and new construction and renewal, and another \$100 million for new hospital facilities and renovations.

So there's significant support there, and I'm sure there will be in the years ahead and in the months ahead ongoing pressure there because people continue to see Alberta as a place to live and grow and expand their hopes and dreams.

MR. CAO: Thank you, Mr. Speaker. My first supplemental is also to the Provincial Treasurer. The Treasurer indicated that the province spent about \$1.3 billion. That's a lot of taxpayers' money, almost 10 percent of our provincial expenditure. Does the Provincial Treasurer's most recent forecast suggest that we are at risk of running a deficit if we go ahead with these projects?

MR. DAY: I'm glad to hear that our members are concerned about the possibility of running into a deficit because of our spending. But our commitment is very clear, Mr. Speaker: we will only spend what we have and that includes infrastructure. As a matter of fact, the law which we have in place prohibits us from having a deficit.

So though these spending amounts are very large and very significant, they are based on projections which lead us to believe that we will have the revenue. We will not borrow to finance these operations, Mr. Speaker.

MR. CAO: Thank you, Mr. Speaker. My last supplemental is also to the Provincial Treasurer. I understand that the city of Calgary has many large and long-term capital projects identified at this time. Given that government financing and bookkeeping is limited in each fiscal year, is the Provincial Treasurer open to alternative ways of funding these projects, or does it exist on a one size fits all approach?

MR. DAY: Mr. Speaker, clearly one size does not fit all. The number of jurisdictions and municipalities that we have in the province have varying needs and pressures, and as a government we are open to seeing what can be done to finance some of these large projects.

The member mentioned the city of Calgary. Just recently, as you know, it was announced that an arrangement had been struck whereby certain pressures related to the city of Calgary and also the airport and infrastructure that was needed there in terms of their major arteries was put together in a fairly innovative way.

2:30

We've also seen from Calgary SAIT coming forward wanting to do some expansion and some borrowing. Some innovative approaches were put in place and cleared with the Auditor General whereby if certain entities do have the fiscal capacity and are not looking for a government guarantee, then different approaches to financing can be arranged. But they have to have that fiscal capacity, and it has to be something that's cleared by the Auditor General. It has to be something that doesn't require a government guarantee and does not expand our consolidated debt picture. Within those guidelines there are some innovative approaches that are being encouraged.

THE SPEAKER: The hon. Member for Edmonton-Glengarry, followed by the hon. Member for West Yellowhead.

Strategic Tourism Marketing Council

MR. BONNER: Thank you, Mr. Speaker. The government recently put out requests for proposals for three important functions vital to Alberta's fourth largest industry, which is tourism: resident marketing, international/national marketing, and the call and distribution centre. Tourism is a sustainable industry that will play an increasing vital role in the economic development and diversification of our province. My questions today are to the Minister of Economic Development responsible for tourism. Can the minister advise who the successful bidders were for each of the three functions and how much taxpayers will be paying them to perform those functions on behalf of the government?

MRS. NELSON: Mr. Speaker, I'm delighted to say that the contract for the call centre has been let. That was let a few weeks ago, and went through a lengthy process of requests for proposals.

The other two contracts have not been let as yet. They're in final negotiations with the evaluation team from the Strategic Tourism Marketing Council, and they should have them finalized probably in a few days. They have selected two players, and once those negotiations are complete, I will announce the names.

MR. BONNER: Thank you, Mr. Speaker. Again to the same minister: how many jobs in the capital region will be lost as a result of this contracting out?

MRS. NELSON: Mr. Speaker, I expect that the tourism industry in response to the marketing programs in the capital region as throughout the entire province should be adding additional jobs all the way through. This industry is the fastest growing industry in this country, and Alberta is not left out of that. In fact the request for more jobs and more activity levels in the capital region is actually thriving, so I don't expect there'll be any jobs lost from this region. In fact there will be jobs added to this region.

MR. BONNER: Mr. Speaker, with the government's elimination of the Edmonton and Fort McMurray co-chairs on the Alberta Economic Development Authority and the minister's decision to move top decision-makers on economic development out of the capital region, what guarantee can the minister give that the interests of central and northern Alberta people and businesses will be promoted or even considered in the future?

MRS. NELSON: Well, Mr. Speaker, the two people that the hon. member is referring to in fact sit on the Alberta Economic Development Authority today. They have not left the Alberta Economic Development Authority at all. In fact one of the former executive co-chairs is heading up the University of Alberta in this very city and travels down from Fort McMurray to do just that. So there's a limit to how far he can be stretched in his service to this province.

With some consideration, without being negative to the hon. member opposite, I suggest that you get with it and find out what's happening in your own community.

THE SPEAKER: The hon. Member for West Yellowhead, followed by the hon. Member for Edmonton-Mill Woods.

Lumber Exports to U.S.

MR. STRANG: Thank you, Mr. Speaker. My question is to the Minister of Intergovernmental and Aboriginal Affairs. Canada with the support of Alberta is a partner in the free trade agreement with the United States, yet Alberta's softwood lumber producers need

export permits and pay fees to ship lumber to the United States. Why do these barriers still exist in our lumber industry?

MR. HANCOCK: Well, Mr. Speaker, it's a good question. We've had a long history of softwood lumber disputes with the United States. A separate softwood lumber agreement was negotiated with the United States outside of the free trade agreements. Under the FTA and NAFTA the U.S. is still able to launch countervailing duty investigations and impose tariffs. The only recourse that we would have is under the appeal process of NAFTA and the FTA. At the time the softwood lumber agreements were negotiated, it was felt that a countervail investigation and the assessment of duties was inevitable.

In 1995 the U.S. amended its countervailing duty laws to enhance its ability to find softwood lumber subsidies. Those laws can only be challenged through the World Trade Organization, but, Mr. Speaker, World Trade Organization rules in this area are unclear and untested. So with the separate agreement on softwood lumber, although it does impose permits and fees on our producers, we're able to use an alternative approach to dealing with trade disputes in that area.

MR. STRANG: Thank you, Mr. Speaker. My first supplemental question is to the same minister. How are the interests of Alberta's companies being represented under this softwood lumber agreement?

MR. HANCOCK: Well, Mr. Speaker, there has been a government industry Alberta Softwood Lumber Advisory Committee established. It provides advice to the federal government on the administration of the export quota allocation and ensures that allocation to Alberta companies truly reflects our share of exports to the United States.

MR. STRANG: Thank you, Mr. Speaker. My second supplemental question is to the same minister. Will the current dispute on the recent forest management changes in B.C. and on predrilled studs and other products hurt softwood lumber producers?

MR. HANCOCK: Well, Mr. Speaker, we're watching the outcomes of those disputes closely. The U.S., through tariff reclassification of predrilled studs and potential reclassification of other products, is trying to expand the coverage of the agreement. We're working with the federal government to ensure that the agreement only covers those products which it was originally intended to cover. We're working to ensure that if Canada loses the arbitration case over B.C.'s forest management changes and compensation is offered or retaliation occurs, Alberta producers are not affected.

THE SPEAKER: The hon. Member for Edmonton-Mill Woods, followed by the hon. Member for Calgary-Montrose.

Education Funding

DR. MASSEY: Thank you, Mr. Speaker. The Minister of Education has referred to schools experiencing difficulties as a result of the underfunding of public education as blemished apples. Such labeling diminishes the efforts of children, families, and teachers in those schools who need his help. My questions are to the Minister of Education. Will the budget dollars that the minister references mean that the parents at La Perle school in Edmonton can return to fund-raising for enrichment items and not for "curricular materials, computer repair, furniture"?

MR. MAR: Mr. Speaker, I want to make it clear that I was not

saying that schools are blemished apples. I was suggesting, however, that that is the tack that is being taken by the opposition.

We've seen this pattern time and time again. We've seen them say that there are two teachers being let go from a school. What they don't tell you is that that school has 40 fewer students. What they do tell you is that there's a school with problems with its capital. What they don't tell you is that it has been approved for capital renovation. What they do tell you, Mr. Speaker, is that there's a school that has a grade 4/5 split. What they don't tell you is that there's one teacher for every 21 kids in that school.

So, Mr. Speaker, like all of these other examples, I will be happy to look into this particular circumstance, but time and time again they'll tell you about a school council that is raising money for core curriculum. What they don't tell you is that it's not the school council that's raising money for it. In fact they won't tell you also that what money was being raised for was not even part of the core curriculum.

DR. MASSEY: Thank you. My second question is to the same minister. Will those dollars provide relief for the concerned parents in Morinville being charged user fees "of \$200 to \$300 per child or else face legal action"?

MR. MAR: Mr. Speaker, I didn't hear the question.

2:40

DR. MASSEY: I'll repeat the question then, Mr. Speaker. Will those dollars provide relief for the concerned parents in Morinville being charged user fees – and I quote from one of their letters – "of \$200 to \$300 per child . . . or else face legal action"?

MR. MAR: Well, Mr. Speaker, in school boards throughout the province they do have the ability to put in fees as they may see appropriate. Those fees in this province range from \$45 per student per year in the case of Peace Wapiti to Elk Island, which ranges up to \$400 per student per year. Those are locally made decisions. But in all cases that I've seen where there is such a fee policy put in place by school boards, there is a possibility for an exemption for those people who are not able to pay such fees. I would expect that would be the case with the school board that includes the town of Morinville. Again, I'll be happy to look into this particular circumstance, but it is getting tiresome to find out what the whole truth is when they're only telling you half the story.

THE SPEAKER: Hon. members, in 30 seconds from now I'll be calling on the first of seven members to proceed with recognitions. In the interim might we revert briefly to Introduction of Guests?

HON. MEMBERS: Agreed.

head: Introduction of Guests

(reversion)

THE SPEAKER: The hon. Minister of Agriculture, Food and Rural Development.

MR. STELMACH: Well, thank you, Mr. Speaker. It's a pleasure today to introduce to you and through you to members of this Assembly visitors from Two Hills high school, 24 visitors seated in the members' gallery. They're accompanied today by Mr. Ron Rudkowsky and April Herrington and of course bus driver Mr. Gerald Kostyniuk. I would ask them all to rise and receive the traditional warm welcome of this Assembly.

Speaker's Ruling Oral Question Period Rules

THE SPEAKER: Hon. members, I know that today is day 46 of this particular session, but perhaps for tomorrow all hon. members might want to just review very, very briefly the House leaders' agreement that was signed on April 30, 1997. I just want to quote the following:

(4) A member asking a question shall, in the discretion of the Speaker, be allowed a succinct preamble, a main question and two supplementary questions to which there shall be no preamble. Any member who, in the discretion of the Speaker, abuses the opportunity to give a preamble shall be called to order.

As well, I'd ask you to review *Beauchesne* 409, which reads that the Speaker shall

restrict the negative qualifications which traditionally have guided the Question Period:

"A brief question seeking information about an important matter of some urgency which falls within the administrative responsibility of the government or of the specific Minister to whom it is addressed, is in order.

(1) It must be a question, not an expression of an opinion, representation, argumentation, nor debate.

(2) The question must be brief. A preamble need not exceed one carefully drawn sentence. A long preamble on a long question takes an unfair [amount] of time and provokes the same sort of reply. A supplementary question should need no preamble.

(3) The question ought to seek information and, therefore, cannot be based upon a hypothesis, cannot seek an opinion, either legal or otherwise, and must not suggest its own answer, be argumentative or make representations.

Today there was absolutely a clear violation of virtually every one of these rules.

If a star were to be awarded for a model in terms of the succinctness of a question, to the point where it has nothing to do with the content of the question, has only to do with the process of the question, such an award would be provided to the hon. Member for West Yellowhead and to the hon. Minister of Intergovernmental and Aboriginal Affairs.

Recognitions

THE SPEAKER: We're now dealing with Recognitions.

The hon. Member for Calgary-Glenmore.

Heritage Park Historical Village

MR. STEVENS: Thank you, Mr. Speaker. Heritage Park Historical Village, one of Alberta's predominant tourist attractions, located above the clear waters of Glenmore reservoir and framed by the majestic Rockies, is an incredible representation of western Canadian life prior to 1914. From the antique midway to the Bruderheim windmill, from the fully operational steam engine to the elegant Wainwright Hotel, Heritage Park brings our past to life in a striking way.

It's only getting better with the creation of a new and exciting historical project. Heritage Park will be building a replica of the 1885 Calgary town hall to celebrate the turn of the century. With the year 2000 town hall re-creation Calgary will become one of the few cities in Canada that can boast the existence of all of its city halls: the current municipal building, the 1911 sandstone city hall, and the first town replica. The original bell, money safe, and jail door from the first town hall will resume their rightful place in history, and for the 400,000-plus visitors annually yet more of our western heritage will come to life.

THE SPEAKER: The hon. Member for Edmonton-Gold Bar.

Ottewell Community Police Patrol

MR. MacDONALD: Thank you, Mr. Speaker. On behalf of everyone in the constituency of Edmonton-Gold Bar it is a pleasure to honour the Ottewell community police patrol. They are the extra eyes and ears for the police in the community on the southeast side of Edmonton in all the neighbourhoods north of Whitemud Drive, east of the Mill Creek Ravine, south of the river, and west of the city boundary.

They volunteer their time and vehicles and purchase their own gas and even buy their own coffee whenever they are on break. Their commitment, dedication, and contribution towards achieving a crime-free community deserve our admiration and thanks. Any day or night of the week we know they are patrolling our streets, back alleys, businesses, and industrial areas watching for unusual and suspicious events that will lead to crime or property damage. The police have been very successful in arresting criminals because of their presence and their activities.

These volunteers in the Ottewell community patrol make our lives and communities better. Their eagle eyes are appreciated. While we sleep, they are on the beat. I am very proud to represent a constituency with all these committed, outstanding volunteers.

Thank you, Mr. Speaker.

THE SPEAKER: The hon. Member for Clover Bar-Fort Saskatchewan.

Dale Gullekson

MR. LOUGHEED: Thank you. Mr. Speaker, I rise today to pay recognition to Dale Gullekson, a resident of Clover Bar-Fort Saskatchewan who was recently awarded the Alberta Teachers' Association school-community public relations award. Dale is the co-ordinator of career services at Bev Facey community high school in Sherwood Park and has for many years been committed to helping students with their school-to-work transition.

Dale is well known locally and internationally as a leader who has implemented school-based job shadowing and work experience programs that give the students a sound basis for making career and postsecondary education decisions. He has also designed a student skills portfolio that helps students make those career or education transitions. The student skills portfolio is also valued by potential employers because it provides documented evidence of the skills the students bring to the workplace. Each student develops his or her own portfolio which identifies academic or technical skills, personal management skills, and teamwork skills. During their time in high school students continuously upgrade this portfolio, which they receive in grade 10.

I would ask all Members of the Legislative Assembly to join me in congratulating Dale Gullekson for his commitment to excellence as evidenced by the school-community award.

THE SPEAKER: The hon. Member for Edmonton-Norwood.

Olga Logvynenko

MS OLSEN: Thank you, Mr. Speaker. I rise today to recognize Olga Logvynenko, a teacher with the Edmonton public school system who is retiring after 23 years. One of the things that is most remarkable about her teaching experience is that she spent all but four months of teaching at one school, Highlands junior high. Her smiling face has been a constant around the school as she worked in

the library or in her classes teaching Ukrainian, language arts, and social studies. Mrs. Logvynenko has enriched many students' lives over the past quarter of a century. She has proven how dedicated she is with her commitment to Highlands and to these students she taught.

Some highlights of her career, Mr. Speaker, include tours of the Legislature and the Soviet Union. Furthermore, Mrs. Logvynenko took pride in her heritage by teaching Easter egg decorating and Ukrainian Christmas carols. Mrs. Logvynenko provided students with knowledge by doing. She translated real-life situations into education, and that's a pretty special gift. In her letter to the principal she says that she has done nothing outstanding; she just loves the school. Well, after 23 years her attitude is outstanding and her tireless dedication has changed many lives.

I would like to congratulate her on her retirement and ask Members of the Legislative Assembly to join me in recognizing this very special teacher today.

THE SPEAKER: The hon. Member for Calgary-Cross.

Heads Up Work Safety Program

MRS. FRITZ: Thank you, Mr. Speaker. Recently I had the privilege of attending the 10th anniversary dinner of the Alberta Construction Safety Association, and the Heads Up: Work Smart; Work Safe campaign was launched. It is sponsored in part by the Workers' Compensation Board and Alberta Labour and includes safety associations such as the Alberta Construction Safety Association and the Metal Fabricating Health and Safety Association. Critical messages telling gentlemen to protect their tools and asking the question "Why make your first day your last?" highlight the fact that one-third of the 9,000 Alberta workers injured during their first six months on the job are under the age of 25.

I thank the Alberta Forest Products Association, Alberta Trucking Industry Safety Association, Alberta Hotel Safety Association, Alberta Municipal Health and Safety Association, and the Petroleum Industry Training Service for strongly supporting this campaign. I also ask that the Members of the Legislative Assembly join me in congratulating the Workers' Compensation Board and Alberta Labour for their leadership on this important initiative.

2:50 International Nurses' Day

MS BARRETT: On the occasion of International Nurses' Day I rise to recognize the tremendous dedication of all nurses and in particular the 17,000 nurses who comprise United Nurses of Alberta, who work night and day to serve Albertans. This union is currently engaged in contract negotiations. We wish them success. Alberta's nurses are the front line. They are the women and men who do the direct, hands-on care. They continue to do so in the face of the difficult circumstances caused by budget cuts and drastic staff reductions. They are under a tremendous amount of stress and deserve our thanks, our support, and our acknowledgment of their enormous contribution to Alberta's health care system not only today but every day.

Thank you, Mr. Speaker.

THE SPEAKER: The hon. Member for Calgary-West.

Kerby Rotary House

MS KRYCZKA: Thank you, Mr. Speaker. Later today the hon. Premier, my colleagues from Calgary-Currie and Calgary-Fort, and I will attend the grand opening of the Kerby Rotary House for

abused seniors in Calgary. This shelter is the first of its kind in North America to provide accommodation, support, and counseling so that seniors can free themselves from abusive situations.

Kerby Centre has done an excellent job of creating an environment that will foster healing and compassion. I commend the centre's members for raising awareness of elder abuse and taking a leadership role in establishing a safe place for seniors. I know that members of the Assembly join me in congratulating Kerby Centre and the many organizations, businesses, service clubs, and individual donors who have lent their support and commitment to this important endeavour. I join them in the hope that one day there will be no need for emergency shelters of any kind, when all people are treated with dignity and respect.

head: Orders of the Day

head: Written Questions

THE SPEAKER: The hon. Deputy Government House Leader.

MR. RENNER: Thank you, Mr. Speaker. I'd like to move that written questions appearing on today's Order Paper stand and retain their places with the exception of Written Question 217.

[Motion carried]

Environmental Protection Permits

Q217. Ms Carlson moved that the following question be accepted. How many approvals and how many permits were issued by environmental service, Alberta Environmental Protection, between January 1 and December 31, 1998, and how many equivalent approvals and permits were issued each year from 1990 to 1997?

THE SPEAKER: The hon. Minister of Labour.

MR. SMITH: Thank you, Mr. Speaker. In a cameo appearance for the Minister of Environmental Protection we'd move that we would (a) strike out "and how many permits," (b) strike out "and permits," and (c) strike out "1990" and substitute "1994" such that the question will read:

How many approvals were issued by environmental service, Alberta Environmental Protection, between January 1 and December 31, 1998, and how many equivalent approvals were issued each year from 1994 to 1997?

Thank you, Mr. Speaker.

THE SPEAKER: Hon. minister, you didn't move anything. Are you moving this as an amendment?

MR. SMITH: Mr. Speaker, I am not moving with the usual alacrity and dispatch that I'm known for. However, we are moving an amendment to the question such that the government can accept it. So we're rejecting it in its current form, and we're proposing the amendment that is at members' tables with the appropriate wording included therein.

THE SPEAKER: The hon. Member for Edmonton-Ellerslie on the amendment.

MS CARLSON: Yes, Mr. Speaker. Are we not to get any explanation for why they are amending the question? [interjections]

THE SPEAKER: The hon. Member for Edmonton-Ellerslie has the floor.

MS CARLSON: Does the minister have an opportunity to respond to that? No? Okay. That's what I thought.

Well, we have several problems with this particular amendment. First of all, that the government could just waltz in and amend it without giving any explanation is a level of arrogance that we would hardly expect. Secondly, on the issue of level of arrogance, last week at the same time – so that would be on May 5, 1999, Mr. Speaker – we had questions amended again. At that time we received the amendments to the questions at approximately 1:20 in the afternoon.

In accordance with an informal agreement that was arrived at by all House leaders in this Assembly back in 1997, I believe – it was recorded in *Hansard* on May 13, 1997 – the House leaders agreed informally that any amendments brought to written questions would be given to the parties concerned hopefully by 11 o'clock in the morning.

Well, once again, for this amendment the first notice that I got of it was at 2:20 this afternoon, when the amendments were distributed here in the Legislature. Mr. Speaker, this hardly meets with any level of criteria in terms of spirit of co-operation, which is what you talked about when we discussed this matter last week.

We need this information. Had it been amended and had we been given an explanation and the wording of the amendment earlier in the day, perhaps we could have come to some sort of agreement on this between myself and the minister's office. But we get the information at the eleventh hour. Regardless of the discussion that took place last year, the minister does not deem it important enough to inform us of what's going on, although his House leader did know that the question was being amended because we got at least that information quite early this morning, just not the detail of what was being amended, Mr. Speaker.

I would ask that you would comment on this one more time. Perhaps the Minister of Environmental Protection could pay some attention.

So we do not support this amendment.

[Motion on amendment carried]

THE SPEAKER: The hon. Member for Edmonton-Ellerslie to close the debate.

MS CARLSON: Yes, Mr. Speaker. As amended this question doesn't give us the entirety of the information that we require, so I would ask the Minister of Environmental Protection to reconsider and submit to us in writing at some point in the near future the reasons why he amended it.

[Motion as amended carried]

Speaker's Ruling Amendments to Written Questions and Motions for Returns

THE SPEAKER: Hon. members, there was a question raised by the hon. Member for Edmonton-Ellerslie with respect to the process, and this question came up last week. Statements were made in *Hansard* at page 1477, dated May 5, 1999. However, I'll take members back to statements that were made in the Legislative Assembly almost two years ago to the day, on Tuesday, May 13, 1997. Basically it's printed in the *Journals* as a Speaker's ruling on amendments to written questions and motions for returns.

3:00

The following was stated, and I'm going to repeat it again.

Hon. members, as this session evolves there will undoubtedly be

certain issues that the Chair will want to comment about so that a procedure or process in the Legislative Assembly will be clear to all members.

One issue that the Chair believes requires such clarification concerns amendments to motions for returns and written questions. As members may recall, last Wednesday, May 7, 1997, there was some confusion concerning Written Question 2, moved by the hon. Member for Edmonton-Calder. The hon. Minister of Environmental Protection had moved certain amendments to the written question. These proposed amendments were distributed just before they were moved in the House and seemed to have caught the Member for Edmonton-Calder somewhat unawares. In the ensuing discussion of the amendments there were some exchanges between the Chair and the member about what course of action the member wanted to pursue. The very short time available to review the proposed amendments may have resulted in some miscommunication between the Chair and the member.

Further to last Wednesday's events the Chair reminds members that under Standing Order 42 amendments must be "in writing." The practice is to have 90 copies [available] for distribution. In the Chair's view amendments to written questions and motions for returns should not catch the mover off guard. These matters are set down well in advance on the Order Paper, and there is ample time to consider amendments.

In order to avoid repeating the events of last Wednesday, when amendments are going to be proposed to motions for returns and written questions, they should be approved by Parliamentary Counsel as to form no later than the Tuesday before they are to be moved. The proposed amendment should be provided to the member that is moving the written question or motion for a return so that he or she is able to address it on the respective Wednesday and have time to discuss it with the responsible minister if necessary. This exchange of information should occur before 11 a.m. on the Wednesday that the written question or motion for a return is to be moved.

The Chair views this matter, as so many others, as a learning experience. Through co-operation and the exchange of information on a timely basis it is sincerely hoped that we can reduce the procedural uncertainties so that members can devote their time to debating the substance of an issue.

Now, the operative words in here is that this is a "learning experience." Two years have gone by. Time to learn.

head: Motions for Returns

THE SPEAKER: The hon. Deputy Government House Leader.

MR. RENNEN: Thank you, Mr. Speaker. I move that motions for returns appearing on today's Order Paper stand and retain their places.

[Motion carried]

head: Public Bills and Orders Other than
head: Government Bills and Orders
head: Second Reading

Bill 209

Alberta Wheat and Barley Board Act

THE SPEAKER: The hon. Member for Calgary-Mountain View.

MR. HLADY: Thank you, Mr. Speaker. It is a distinct pleasure for me to rise today to speak to the spirit and intent of Bill 209, the Alberta Wheat and Barley Board Act. Before I start, I would like to thank the researchers who have spent many, many months working on this. I do appreciate all the time that they did put into this. Thank you.

Mr. Speaker, I strongly believe in this bill and the concepts which

it represents, because I am a firm believer in the free market as the most efficient way of allocating resources. This is not to say that there is no role for the public sector in our economy. However, there is absolutely no reason for a \$6 billion legislated monopoly like the Canadian Wheat Board to continue to exist in our economy. They should compete. The Alberta wheat and barley board will finally give Alberta producers what they've been asking for, a marketing choice.

I represent an urban constituency. The closest things to farms in Calgary-Mountain View are backyard vegetable gardens and the animals at the Calgary zoo. But does this mean that I should not be concerned with agricultural issues? I'm not a doctor or a nurse, but I am interested in seeing the health care system delivered effectively and efficiently. Therefore, although I'm not a farmer and do not represent a farming community, this does not mean that I am not concerned about the way in which Alberta's agricultural industry is managed. In fact, I hope this bill will help to educate other urban Albertans about this and other agricultural issues, because agriculture is a foundation of the Alberta economy. It has a deep impact on all Albertans, not just agricultural producers.

I also think many Calgarians and Edmontonians would be shocked and outraged if they knew more about the Canadian Wheat Board monopoly. For over 50 years now the federal government has been denying western Canadian farmers the right to choose how to market their wheat and barley. Every other agricultural product is marketed through a provincial board or marketed freely. Why are wheat and barley producers forced to suffer with an inefficient, unjust monopoly marketing board that lacks any accountability or transparency whatsoever? The federal government and the Canadian Wheat Board executives say that the monopoly is in their best interest, but the vast majority of Alberta grain growers know better.

The Canadian Wheat Board monopoly was implemented as part of the war effort in World War II. There should be no reason for it existing during peacetime. Does the federal government fear that we are still under military attack? It's really quite ridiculous. Some might say that it's laughable, but it's not a laughing matter when you look at how the Canadian Wheat Board has decimated the western Canadian grain processing industry and confiscated farmers' profits over the past 55 years. Mr. Speaker, most Alberta grain growers will tell you that this issue is certainly not a laughing matter.

In 1995 Motion 501, put forward by the hon. Member for Cardston-Taber-Warner, was amended to have a plebiscite by the hon. Member for Lethbridge-East. Mr. Speaker, I know both these members believe that listening to what the people have to say is crucially important. In the December '95 plebiscite Alberta wheat and barley producers voted overwhelmingly in favour of dual marketing. These farmers sent a clear message that they deserve a choice as to how and where they market their products. This seems like a fair proposal in what is considered a market economy here in Canada, but for over 50 years now farmers have had only one choice, the Canadian Wheat Board. Alberta farmers said loudly and clearly that at the very least they would like to have an alternative way of marketing their wheat and barley.

Mr. Speaker, this is exactly what Bill 209 seeks to do. Bill 209 establishes an Alberta wheat and barley board that will essentially compete with the Canadian Wheat Board. Compete. Not replace but compete. Is that such a bad thing, or has competition become a dirty word in this country? This bill does nothing to prevent farmers from continuing to market through the Canadian Wheat Board if they choose. It simply offers a marketing alternative for those who choose not to market with the Canadian Wheat Board.

The Canadian Wheat Board holds a complete monopoly over the marketing of wheat and barley produced in western Canada for

export and for human consumption. Remarkably this monopoly exists only on the prairies. Only Manitoba, Saskatchewan, Alberta, and northern British Columbia, what is known as the designated area under the Canadian Wheat Board Act, are subjected to this economic control and discrimination by the federal government. Ontario has a provincial board, and farmers there are not forced to market through the Canadian Wheat Board. Quebec and other provinces have other arrangements. Only prairie farmers are handcuffed by this legislated federal government monopoly.

Why does the Canadian Wheat Board not monopolize the marketing of grain in Ontario? Imagine if there was a legislated federal monopoly over the marketing of groceries in western Canada but not in eastern Canada. You can bet there would be a substantial uproar. What if all crude-oil producers were forced to sell their oil to the same refinery? You can bet that Albertans would be up in arms. There has been outrage over the Wheat Board's monopoly powers, but for some inexplicable reason the federal government clings desperately to this economic dinosaur and tries to thwart every attempt to break the monopoly.

Mr. Speaker, the Canadian Wheat Board cannot live forever. Year after year private citizens and agricultural commissions have used their own hard-earned dollars to find cracks in the Canadian Wheat Board Act and challenge the authority of the Wheat Board's monopoly. Many western farmers have gone to jail because they believe so strongly in their right to market their own products. They go to jail for the simple crime of selling their own wheat. This is hardly something that someone ought to be sent to prison for. But every time someone gets close to finding a crack in the Canadian Wheat Board Act, the federal government amends the act to close any possible loophole that might exist.

In my opinion and in the opinion of thousands of Albertans and western Canadians it is time for provincial elected officials to take the lead on this issue and make it a jurisdictional battle. Who else is going to do it? The courts can't because the federal government has ensured that the Canadian Wheat Board Act ties the hands of the courts. The federal government has certainly proven that it does not respect the rights and freedoms of farmers. Where else are they to turn? With the 1995 plebiscite they turned to their provincial government. Bill 209 will revive the economic rights that Alberta grain growers had stolen from them in the '50s, the rights that they have been fighting to regain.

Mr. Speaker, I'd like to share with this Assembly a quote from a famous Canadian or perhaps an infamous Canadian, depending upon where you stand. During a visit to the Ukraine, speaking about ways to create wealth and renew the Ukrainian economy, this Canadian was emphatic about the negative effects of monopolies, stating firmly that monopolies are: a recipe for poverty and stagnation and alienation and not worthy of a great nation and a great people. This quote is just from last year, and the well-known Canadian who issued this grave warning about monopolies is none other than Prime Minister Jean Chretien, the current keeper of the Canadian Wheat Board monopoly.

In fact, it should have been the Ukrainians preaching to Mr. Chretien. In the past few years the Ukrainian government has done more to demonopolize its grain industry than the Canadian government has done in the last half century. In 1997 and '98, while the Canadian government was busy having wheat and barley farmers arrested and thrown in prison for trying to sell their own products outside of the Wheat Board's monopoly, the Ukrainian government went on record as recognizing the need to demonopolize their grain industry and privatize the Khib Ukraina, the state company that manages Ukraine's grain industry.

3:10

Mr. Speaker, relative to the Canadian Wheat Board monopoly there is another famous quote from a very good friend of Mr. Chretien, former Prime Minister Pierre Trudeau. While visiting Winnipeg in December of 1968, Mr. Trudeau was met by a crowd of angry farmers complaining of low farm incomes and the slow rate of wheat and barley purchases by the Canadian Wheat Board. Even before the farmers could voice their demands, the Prime Minister turned to the crowd and uttered the now immortal phrase to farmers: why should I sell your wheat? To this day that remains a very good question. Why should the federal government buy and sell western Canada's wheat? The answer is: it should not.

Over the years the federal government has made it very clear that it will not stand for even the slightest threat to its grain marketing monopoly. There have been numerous grain growers that have gone to prison, Mr. Speaker, for the simple crime of selling their own wheat. This is hardly something that should be a criminal act in a country which professes to have a market economy. Yet the federal government refuses to allow western Canadian farmers to sell their wheat at market value, instead choosing to make this a criminal offence.

Perhaps the best known case of a western grain grower who was sent to prison for selling wheat is Andy McMechan. Mr. McMechan is a Manitoba farmer who picked a fight with the Canadian Wheat Board over who could sell his crops and ended up in jail for six months with tens of thousands of dollars in fines. In 1996 alone Mr. McMechan spent 155 days in jail and 47 days in court. He was fined \$33,000 for violations of the Canada Customs Act and was ordered to reimburse the Canadian Wheat Board for \$55,693 in lost revenues. All this in one year. All this for trying to get a decent price for his wheat so that he can make a living for his family.

Besides all of the individual farmers who have spent their own time and money fighting the Wheat Board's monopoly, agricultural producer groups, such as the Alberta Barley Commission, have also challenged the Canadian Wheat Board. These western Canadians feel so strongly about their right to market their product that they have sacrificed countless hours and dollars for their cause. Mr. Speaker, it is time for a provincial government to take action on behalf of the thousands of Alberta producers who want a marketing choice. Bill 209 represents an effort to give those Albertans what they rightly deserve.

Some might argue that Bill 209 contravenes the Canadian Wheat Board Act. I disagree. However, if the federal government thinks the Alberta wheat and barley board is unconstitutional, let them challenge it in the courts or, better yet, let the federal government disallow the act by refusing royal recommendation. The backlash from grain growers in Alberta and western Canada would be huge. The fact is that if grain marketing is under provincial authority in Ontario, it should be in Alberta, too, or in any other province. Agricultural marketing boards for every other agricultural product are provincial boards. Why not for wheat and barley?

Supporters of the Canadian Wheat Board argue that the board cannot operate properly without monopoly powers. They say that the single-desk system cannot function if it has any competition. That in itself should tell us something about the efficiency and accountability of the board. But to follow that logic, an Alberta wheat and barley board would eventually force the board to either become voluntary or become competitive, and if it can't compete, it may end up dissolving. If the Canadian Wheat Board became voluntary or just allowed competition, then the Alberta wheat and barley board would cease to exist, leaving a free and open market for Alberta wheat and barley. Mr. Speaker, a free market for wheat and barley is truly the end goal of this bill. The Alberta wheat and

barley board is a flow-through, as farmers would market it themselves or brokers would do it for competitive prices.

Unfortunately, at this time it is impossible for the Alberta Legislature to legislate a free market. So for those Albertans who are concerned that Bill 209 simply sets up another undesirable board, bear in mind that in terms of legislation this is the only road to follow. Also bear in mind that the Alberta wheat and barley board will represent a marketing choice that has not existed for most of this century.

The Alberta wheat and barley board is intended to serve as a sort of flow-through organization with minimal administrative costs. The board would charge a small buyback fee to cover the cost of operations. Producers would then be able to search for the best price for their product. After 55 years there would finally be some incentive for grain-processing industries to set up in Alberta. There is no question that the Canadian Wheat Board monopoly has caused western Canada's grain-processing industry to up and move to eastern Canada over the last five decades. Fifty-five years ago Alberta used to be responsible for 30 to 35 percent of the value-added products in the agricultural industry in Canada, Mr. Speaker. Now it is approximately 3 percent.

Mr. Speaker, the promotion of a value-added agricultural industry is clearly a stated high priority of this government and the Department of Agriculture, Food and Rural Development. Bill 209 is the single most effective way of promoting value-added industries in Alberta's agricultural sector. No single action by this government could do more to promote value-added agricultural industries across this province than Bill 209.

Processors could finally buy raw grain at a realistic price rather than the massively inflated buyback price demanded by the Canadian Wheat Board. Furthermore, Bill 209's sunset clause ensures that when the Canadian Wheat Board becomes voluntary or open, the Alberta wheat and barley board would cease to exist. This is extremely important. Perhaps the most important thing to keep in mind is that Bill 209 is only a step, albeit a very big and important step, towards an open market for Alberta wheat and barley.

With those comments, Mr. Speaker, I will conclude by saying that I believe the merit of this bill is undeniable. Given the complex constitutional and legal issues and all the other issues concerning the marketing of Alberta wheat and barley, Bill 209 is the best possible effort to give back the economic rights that Alberta grain growers justly deserve.

Thank you, Mr. Speaker, and I look forward to the debate.

THE SPEAKER: The hon. Member for Lethbridge-East.

DR. NICOL: Thank you, Mr. Speaker. It's a real privilege this afternoon to rise and speak to Bill 209, the Alberta Wheat and Barley Board Act. This bill does really outline a process whereby Alberta farmers could have an option to market their grain. The question, then, settles down to: is this the best option, is this a reasonable option, and is it the kind of option that farmers would choose?

You look at the structures that are available within the agriculture community of Alberta and Canada, and the member supporting the bill has indicated the need and the relationship between the Canadian Wheat Board and the farmers of the province, the need for a change in approach. There's been a lot of discussion over a number of years. I think as long as I've been involved in the agriculture industry, there have been conflicts and questions over whether or not the Canadian Wheat Board was really serving the best interests of the farmers.

When you look at it from the perspective of what is there in theory, when you have a distinguished product like the quality of

wheat that we have in Canada and when you have a world market where there's a demand that will identify a need for that quality wheat, theory tells us that a monopoly should be a good deal. When you get to the practical application of that monopoly and how it works and how it administers and hands on to the farmers the benefits of that monopoly power, then you begin to question whether or not it does work. That debate has raged across western Canada, as I said, Mr. Speaker, for as long as I've been involved in the agriculture community.

The sponsor of the bill mentioned the petitions that have been held in the province but didn't mention the corresponding petition that was done by the federal government across western Canada among the farmers who are eligible to supply a product or have a product that could be marketed through the Canadian Wheat Board. The Alberta plebiscite, as I remember, came out with just over 60 percent of the producers that were eligible saying that they wanted to have more choice in marketing their wheat and barley. It was approximately the same for the wheat and barley side, a little higher on the barley than it was on the wheat. When the federal government in a similar effort at putting together a plebiscite did one in the entire western area covered by the Canadian Wheat Board, the answer came out so that the Canadian Wheat Board was favoured.

Mr. Speaker, when we look at petitions and plebiscites, you kind of wonder how it works and what's the information that's out there. Both of the plebiscites could be criticized for the way they were put together, the way they were worded, the supplementary information that was provided either in support of them or in opposition to them. You have to take them as a vote of the eligible producers at the time they were taken. When you look at it from the perspective of the western Canadian farmers, they basically said that they wanted to keep and liked the way the Canadian Wheat Board was operating, but when you did it with just Alberta with a different question, then what you had was a much different answer. The farmers wanted that choice.

3:20

What we have to do, then, is look at: how do we give them the choice they're seeking? The federal government has on a number of occasions refused to make the kinds of adjustments that are necessary in the Canadian Wheat Board to give the farmers the choice to identify their own markets, work up the marketing for them, and deliver their product even if it is done through permit with the Canadian Wheat Board. Because of the way they handle the pooling and the margin differences, it becomes a very expensive and not a very fair process for farmers wanting to deal with their own marketing. So it really does restrict them, because they cannot export without a Canadian Wheat Board permit, which means that they get this "Sell to the Wheat Board and then buy it back," and there's a very large margin loss there.

What you've got to look at is: how can we provide them with that choice? This option that we're looking at in Bill 209 is one. I guess we have to look at whether or not it's an option that would suit the wishes of the farmers out there. They're still going to have to have some kind of federal approval, whether it's through the Canadian Wheat Board or if they get an exemption because of this marketing board to export internationally, because the federal government by Constitution controls the export of goods from our country.

What we have to deal with there is: how would that work? You know, even if we had the Alberta wheat and barley board in place, how could they get a product actually across the border without first of all working through the Canadian Wheat Board, and if they had to go through the Canadian Wheat Board, would they still be charged the same margin there and then be charged the margin that

is defined for the Alberta board? That's something that would have to be looked at, and I guess the only way we'll find an answer to that is to put this in place and see what happens in terms of the court challenges and the eligibilities.

When we look at it also from the perspective of the idea of choice, we've got the proposed two boards, yet both of them are government legislated. They're not producer driven. One of the things we have to look at is that basic belief that a lot of us in Alberta have, that we should be in control of our own destiny. Alberta has on its legislative books the Marketing of Agricultural Products Act, where if a group of farmers gets together, puts together a business plan, a marketing plan, a structural plan for some way to operate their commodity production sector, they can apply to the Alberta government and have a plebiscite put in place to vote on that plan. If that plan is accepted, then the farmers in the province are mandated by the Marketing of Agricultural Products Act to operate under that plan.

Now, to me that would have been an option to this bill, to work with the producers to allow them to build a structure of a marketing agency, an information agency, a distribution agency, whatever they wanted to put into that, and allow them, then, to have a referendum in the province: you accept this agency operating under the structure defined in this plan. So it's concrete; it's outlined; it's exactly right the way it is. Everybody would know exactly what's there as opposed to the petitions or the plebiscites we've had where they're always just kind of, you know: do you want more freedom, or do you want more choice? These kinds of questions are not factual and cannot be easily delivered upon when the plebiscite is over. With a specific marketing plan right there, a structure for the organization – who's in control, who are the administrative units of it, how do they make their decisions, and how do they each have influence through it? That's the kind of concrete alternative that we need to have in place when we want to talk about a competing, centralized marketing agency.

But, Mr. Speaker, I truly believe that is not what the farmers are looking for when they're asking for more choice. That means that what we've got to do is undertake an initiative to make sure that every opportunity is provided for information exchange, for idea exchange, and for dialogue between the farmers, the Canadian Wheat Board, the federal government, and our provincial government to make sure that the farmers' voices are heard in our province.

The thing that we look at is: what could possibly have been the motivation for trying to set up another government monopoly? Because surely if any kind of agency were put together – the farmers found that out right away when they tried to market their grain on their own behalf. They found out that they were going to be challenged in the courts. So if any kind of an agency, whether it's through Bill 209 or through the Marketing of Ag Products Act, comes into being that is going to be a challenge to the federal government's Canadian Wheat Board, what we'll see is there'll be an automatic court challenge just the way the individual farmers were challenged in the courts when they undertook to market their own grain.

What effectively Bill 209 is going to do is transfer from the producers to the public in Alberta the obligation to support a court challenge. That's something that the taxpayers of Alberta have to be aware of. They have to be aware that they are making a financial commitment here that probably is going to cost them money that cannot be recovered from the producers unless it becomes an obligation to this Alberta wheat and barley marketing board, which they have to pay back through fees over a period of time. So that kind of impact of our decision in voting for this bill today has to be built in to how we want to deal with our decision to vote. It's almost

a foregone conclusion, the way the Canadian Wheat Board and the courts responded to the individual farmers who wanted to market, that there will be a challenge if we establish this board and they try to market grain in competition with or in circumvention of the Canadian Wheat Board. So this is something that we have to be aware of.

The other thing. How would this work in the context of getting permits for export? I touched on that briefly just a little while ago, and we have to look at: what is the constitutional opportunity for an Alberta-based board to market internationally without federal approval? That needs to be looked at in the context here as well.

Mr. Speaker, just some smaller details on the bill, as I look through it, in terms of the operational parameters. I guess what I want to do is ask questions now rather than make comments in terms of the operation of it. What we're seeing is that there are references in the bill that the board is going to be kind of an agent or a seller on behalf of the farmers. Does that imply in it that the board would actually buy grain from the farmer and then market it as its own grain, as an ownership? This is the only way that you can really make sure that a farmer has a clear signal of what the price he's going to receive for that grain is. If you're saying, "I've got some grain; I want you as my board to market it," you don't know what you're getting today. You only know what you're going to get sometime in the future, after they've actually signed a contract for delivery and they've got a cheque in hand. They can come back, subtract their fee, commission, whatever, and then provide you with the rest of the dollars. This is something that we have to have more clearly defined here, how that is actually going to work.

[Mr. Shariff in the chair]

The issue of the day-to-day decision on marketing that the choice proponents would like to have is not going to be available here. It's not available through the Ontario marketing board, and it's not available through the Canadian Wheat Board. What we see, then, is that the spot market option that a lot of the choice proponents would like is not available here either, which would be if they could operate outside of government-controlled boards. So what we have to then ask is how that's going to be impacted.

3:30

A couple of comments also on the statements made by the member sponsoring the bill in reference to the Canadian Wheat Board being the cause of the loss of value added in western Canada. The Canadian Wheat Board probably is a contributing factor to that, but I and most industry analysts I think would agree that the biggest reason for that was the subsidies that we had on the transportation to get the product away from the central part of the prairies and out to the coasts and out to the Lakehead for marketing rather than allowing it to stay here. It became cheaper to export our raw product than it did to export our manufactured product. These are some of the issues that need to be looked at here, and I just wanted that as a final comment in the context of the impact of the Wheat Board.

Mr. Speaker, it's something that we as Albertans and we as the legislators on behalf of Albertans really need to consider. This is a bill that would once again challenge the monopoly power of the Canadian Wheat Board and the monopoly decision-making process that exists in Ottawa, and this, in essence, would put a challenge up on that authority. Whether or not it's the route we want to take rather than negotiation, I think that's one of the things that each of us has to answer on behalf of our constituents and look at it from the point of view of what do we feel would provide both the opportunity for our producers to expand their production, expand their value-

added opportunities, expand their flexibility in their agricultural production sector yet also be respectful of the obligations that the Alberta wheat and barley board might put on all of us as Albertans and taxpayers.

So with that, Mr. Speaker, I'll let others make comments on the bill, and we'll see how the debate develops.

THE ACTING SPEAKER: The hon. Member for Cardston-Taber-Warner.

MR. HIERATH: Thank you, Mr. Speaker. It is a pleasure for me to rise today to speak to Bill 209. I will attempt to not go over some of the stuff that's been said by the two previous speakers. I have a head congestion, so I'm going to be somewhat brief.

If Ontario can have the Ontario Wheat Producers' Marketing Board, why shouldn't Alberta be permitted to have the Alberta wheat and barley board? It's a jurisdictional dispute, Mr. Speaker, and beyond the issue of equal powers and authority for each province. There are more fundamental issues in the Canadian Wheat Board monopoly. On a philosophical level there is the issue of individual freedom and state control. In my opinion, individual liberty is certainly more desirable than state control, whether it be in economics, politics, or society.

The Canadian Wheat Board is the most obscene example of state control in the Canadian economy. State monopolies such as the Canadian Wheat Board are inefficient and unaccountable. They lack transparency, and worst of all they steal the rights of individual freedoms of citizens. The Canadian Wheat Board was necessary when it was established, as the previous speakers have said, during the Second World War in order to keep wheat prices from skyrocketing.

On the practical or legal level the case against the Canadian Wheat Board amounts to one of property rights. I believe the federal law requires producers to sell to the Canadian Wheat Board, and prohibiting them from selling to private buyers is a violation of producers' property rights. The Canadian Constitution grants exclusive jurisdiction over property and civil rights to provinces. Thus, the federal government should have no jurisdiction in this matter.

Mr. Speaker, this is an argument similar to the argument made by Nolan versus the Canadian Wheat Board in the 1947 challenge of the Canadian Wheat Board monopoly. Nolan argued that the board infringed on his property rights, a provincial jurisdiction. Two years after the end of World War II Mr. Nolan's case went to court in Manitoba, where judges concluded that the Wheat Board monopoly could not be justified during peacetime. In their decision the judges stated that the Canadian Wheat Board monopoly was *prima facie* and an invasion of the provincial legislative field. The judges went on to say that the real purpose of the Wheat Board was not to maintain control and regulate supplies of barley but to confiscate profits that barley growers would invariably have made.

The decision was appealed ultimately to the Supreme Court of Canada, and the Supreme Court fully agreed with the Manitoba court and upheld the Nolan decision. However, the federal government then took the case to London to appeal to the Judicial Committee of the British Privy Council, one of the last court cases ever to be decided by the British Privy Council. Sadly, the Judicial Committee in London sided with the federal government, and the Canadian Wheat Board's monopoly was preserved. In their decision the Judicial Committee ruled that although establishing such a monopoly might normally exceed Ottawa's constitutional authority, as a war measure it was perfectly acceptable. The Judicial Committee said that it was not its place to decide for Ottawa when the emer-

agency was over. Mr. Speaker, I think everyone in this house can agree that the national emergency is indeed over.

What is perhaps most shocking about the Nolan case against the Canadian Wheat Board is that the federal government's case was based on a 1946 Supreme Court decision, a decision relating to one of the most tragic and regrettable events in Canadian history, the Japanese internment. In 1946 the federal government was under pressure to release Japanese Canadians and return property taken from them. So the government asked the Supreme Court to rule on whether or not it had the authority to prolong the national emergency measure beyond the war. The court said yes, and the federal government used the decision both to continue detaining Japanese Canadians and their property and as the cornerstone of the arguments of the Nolan case to preserve the Canadian Wheat Board monopoly. In essence, Mr. Speaker, what the government was saying was that because it had the authority to confiscate the property of Japanese Canadians without compensation, it could confiscate the property of prairie grain growers. I think that it's high time that the federal government returned civil rights and property rights to the wheat and barley producers and to provincial legislation.

Bill 209 is a step in the right direction. The Alberta Wheat and Barley Board Act is something that should cause the federal government to wake up to the injustice that has gone on for most of this century. While the history lesson might not relate to the specifics of Bill 209, it certainly does relate to the intent of the bill. As I see it, the basic intent of Bill 209 is to release the Alberta grain growers from the shackles of the Canadian Wheat Board with the purpose of paving the way to a free and open market for wheat and barley. It is about releasing a group of Canadians from state control and returning them to individual liberty in much the same way that the people in the Soviet Union in eastern Europe won back their civil liberties from the totalitarian states of a region in that world.

Mr. Speaker, with the Canadian Wheat Board the federal government has proven time and again that it's quite happy to keep on confiscating prairie profits. One of the commissioners of the Canadian Wheat Board, Ken Beswick, a few years ago stated that prairie farmers had lost \$180 million in one year on the confiscated sales of the Canadian Wheat Board. Shortly after making that statement, he resigned as a commissioner of the Canadian Wheat Board.

3:40

I know that the official line of our government is that federal law takes precedence over provincial law. This government needs to carry the wishes of the vast majority of its grain farmers forward. This government needs to pass legislation that affords our grain farmers the same opportunities that farmers have in B.C. and Ontario and Quebec. I firmly believe that the federal government will not challenge the legislation because it is a mirror of the Ontario legislation, and how could that be illegal, Mr. Speaker?

In closing, I must also say that the farmers of Alberta that voted for freedom of choice may have more input about what the marketing choices for farmers in Alberta will be for the future after we win the jurisdictional battle with Ottawa. Mr. Speaker, it's time that the Alberta government stand up for Albertans who have had their freedom trampled, and I urge all to support Bill 209.

Thank you.

THE ACTING SPEAKER: The hon. Member for Leduc.

MR. KLAPSTEIN: Thank you, Mr. Speaker. I rise to speak in opposition to Bill 209. I think it's important to note that there has been an ongoing debate on the issue that predates my involvement

in agriculture, as it was mentioned earlier, but I think it's important to look at what the legislation says and what it will do.

I will call your attention to section 10, and I'll read it to you.

Neither a member of the Board nor an officer or employee of the Board is personally liable for anything done by the Board or by the member, officer or employee, as the case may be, under the authority of this Act or the regulations.

So they have absolute immunity and impunity granted to them.

If you look at section 18(1), it says that "no person shall commence or continue producing grain except under the authority of a licence." If we're talking about intrusion into the private sector of doing business, that means that farmers in this province will no longer be able to produce grain of any kind without a licence from the province. Talk about bureaucracy. We're getting into more of it.

Section 18(3). "Every producer shall pay to the Board the licence fees prescribed by the Board from time to time." The board will have absolute power to decide how much we're going to pay for a licence to grow grain on our own land.

Section 20.

The Board may

- (a) require persons engaged in producing or marketing grain to furnish such information relating to the production or marketing of grain, including completing and filing returns, as the Board determines.

So a producer will have to disclose his entire operation to the board, including how much he paid for what and how much he sold for what. Talk about intrusion into the private sector and into private business.

Section 20(b). They will "appoint persons to inspect the books." Now the books have to be laid open for them. They can come look at them any day they choose. We talk about the income tax department. Well, we're creating another one like it. You have to disclose your "books . . . documents, lands and premises." Now you have to give them access to all of your property. So they can come snoop around at will.

Section 24. The board has an absolute investigative power. Read it.

Except as provided in this or any other Act, the Board has jurisdiction to inquire into, examine and investigate any matter relating to the production and marketing of grain within Alberta.

Talk about more intrusion.

Section 25(1).

If the Board is of the opinion that a person is producing or marketing grain in contravention of this Act or the regulations or an order or direction of the Board, the Board may apply to the Court of Queen's Bench . . .

So now they can take us to court.

. . . for an order directing a civil enforcement agency to seize, detain and dispose of the grain in accordance with the order.

So now they can take my grain and do whatever they like with it. Any producer's grain is subject to seizure.

Section 27(1). "The Board may, with the approval of the Minister, make regulations . . . controlling the production and marketing of grain." Again they can decide exactly what I grow and when and how I'm going to grow it if I'm a farmer, any producer in this province.

Reference has been made to a plebiscite that took place in 1995, and I have the exact wording here in the news release from the minister of the day. In part it reads that

producers will be asked two specific questions:

Are you in favour of having the freedom to sell your barley to any buyer, including the Canadian Wheat Board, into domestic and export markets? Yes/No

The second question:

Are you in favour of having the freedom to sell your wheat to any buyer, including the Canadian Wheat Board, into domestic and export markets? Yes/No

The Minister added, "I want to make it clear that this is not a vote against the Canadian Wheat Board. This vote is about options and choices for farmers to market the products they produce."

Bill 209, the Alberta Wheat and Barley Board Act, proposes the creation of an Alberta wheat and barley board to regulate, direct, and license persons in Alberta in the production, marketing, and pricing of grades of wheat and barley; to direct persons to market grades of wheat and barley to the Alberta wheat and barley board or its agents; to require persons to furnish information relating to production and marketing; to appoint persons to inspect records, premises, et cetera; and to apply penalties for infringements of the act, regulations, and direction of the board.

Alberta farmers have been calling for more marketing choice for wheat and barley for many years. While Bill 209 is an attempt to keep the debate on marketing choice alive as well as give Alberta farmers an option to the Canadian Wheat Board, there are a number of concerns about the form and substance of an Alberta wheat and barley board as prescribed under this legislation.

Any person selling any grade of wheat or barley to the Alberta wheat and barley board is at risk of contravention of the Canadian Wheat Board Act. Any person purchasing grades of wheat and barley as an employee, director, or agent of the Alberta wheat and barley board is at risk of contravention of the Canadian Wheat Board Act. Any person who is not licensed and does not adhere to the regulations and directions of the Alberta wheat and barley board and does sell grades of wheat and barley to the Alberta wheat and barley board is at risk of prosecution under the Alberta Wheat and Barley Board Act of 1999.

This creates another agency with exclusive rights to the buying and selling of wheat and barley. It would require Alberta farmers to register to produce as well as to market their wheat and barley. It could determine the price to be paid to producers and require the price payable to be paid to or through the board. It duplicates the Canadian Wheat Board on a provincial basis. It could restrict marketing within the province. It could significantly reduce freedom of choice in marketing and enhance the single-desk marketing of wheat and barley.

Alberta farmers and industry would still be held accountable under the Canadian Wheat Board Act and the Canada Grains Act. Apparently, under constitutional law any provincial laws which are operationally inconsistent with federal laws are inoperative to the extent of the inconsistency. Therefore, any provision in the bill which required a producer or any other person to do something which was contrary to the Canadian Wheat Board Act or the Canada Grains Act would be inoperative to the extent that it created the inconsistency.

The whole handling and transportation system could cost more. It could increase costs for western farmers and Alberta farmers in particular as a result of two controlled marketing systems.

Bill 209 could place any person producing and marketing grades of wheat and barley at risk of contravention of either the Canadian Wheat Board Act or the Alberta Wheat and Barley Board Act. Bill 209 provides for regulations that do nothing to allow persons producing and marketing grades of wheat and barley freedom of choice and management of their private property used in the production and marketing of grades of wheat and barley. Bill 209 provides for more direction and regulation of persons and the production and marketing of grades of wheat and barley than does the Canadian Wheat Board Act. Bill 209 creates a board that

increases costs to individuals and provides no benefit not already being provided by grain dealers.

Although this bill appears to provide another marketing option and advances the debate and acknowledges the frustration of many Alberta farmers regarding the Canadian Wheat Board marketing system, it does not give Alberta farmers what they want: freedom to market their wheat and barley to any buyer.

In another vein, shipping and handling are the bigger issues for western Canadian grain producers. We presently have the Estey report available to us, and there is a level of co-operation between the federal government and the prairie provincial governments that has heretofore not been seen. So I think it would be a mistake to mess around with the potential of that co-operation by doing something like this.

I can't express to you more strongly that I think this is a very major intrusion into private business and the private production of grain in western Canada, and I'm certainly opposed to it.

3:50

MR. McFARLAND: Mr. Speaker, it's a pleasure as well for me to rise today to speak to the spirit and intent of Bill 209, the Alberta Wheat and Barley Board Act. I believe in this bill and the concepts of competition and choice which it does seek to achieve. Although it may not create the open and free marketing environment that so many farmers are asking for, it certainly has to be a step in the right direction, far better than doing nothing and relying on the traditional Canadian Wheat Board to carry on until we're all old and gray and in the grave.

Bill 209 forces the Canadian Wheat Board to finally compete rather than continuing to operate in its comfortable, inefficient monopoly without a shred of accountability to farmers or to taxpayers. Mr. Speaker, for many years I thought that the Canadian Wheat Board monopoly ought to be terminated. I felt this was largely for philosophical or what we might call ideological reasons, but I believe that in most instances the competitive marketplace leads to a more efficient allocation of resources than a monopoly, particularly a state-controlled and legislated monopoly.

For a long time my opposition to the Canadian Wheat Board was only lukewarm. After all, I was just a farmer delivering grain, trying to make mortgage payments like many of my neighbours. However, a recent book by Don Baron has changed the way I think about the Canadian Wheat Board. Mr. Baron's book is called *Canada's Great Grain Robbery*, and it illustrates in great detail and history the damage that the Wheat Board has done to western Canada's grain industry.

Like any state monopoly, on the surface it might appear that everyone benefits. The reality is that by averaging costs, a monopoly only serves to conceal outrageous inefficiencies. I still have in my possession a cheque that I received about 12 years ago from the Canadian Wheat Board, a final payment. Mr. Speaker, the cheque was for 52 cents. I'm sure it cost between \$13 and \$15 to send a 52-cent cheque, and I couldn't even bring myself to take it to the bank to cash it. I thought I'd keep it as a memento, a highlight of what in my mind is a gross inefficiency in the administration and the functions of the Canadian Wheat Board. And all of the inefficiencies in this administration – in the marketing, the handling, the transportation, and so on – are allowed to perpetuate because the monopoly is not subject to even the slightest competition or public scrutiny.

[Mrs. Gordon in the chair]

Worse yet, the Canadian Wheat Board books are completely off limits to the public or even to the people for whom it's marketing.

Not even producers, whom the board is supposedly serving, can check to see if the board is in fact doing its job properly. This complete absence of transparency means that the Wheat Board is accountable to no one except the federal minister in charge. Clearly, the board is not at all accountable to the people it's supposed to be serving, the prairie grain growers.

Madam Speaker, instead of making the western Canadian grain industry more efficient and responsive to markets, the Canadian Wheat Board has completely politicized the western grain industry. Rather than encouraging the development of processing industries, going after niche markets, or improving production and transportation systems, the existence of the Wheat Board monopoly has made western grain growers dependent on federal government handouts. This is a terrible, forced dependence. Bill 209 will help to break that dependence and allow Alberta producers to become more innovative, more efficient, more aggressive in the marketing of their own products.

For the life of me, there are many of our constituents in the riding of Little Bow who would love nothing better than to be able to deliver their durum crop when they need the money to pay the bills. Currently they wait for a quota system that determines how much they can deliver, Madam Speaker. It would be so simple to be able to contract directly with Ellison mills or Catelli in Lethbridge, to take that durum and deliver it directly into Lethbridge, 40, 50, 100 miles away, and eliminate two different middlemen: the line company and the Canadian Wheat Board. As it currently stands, you contract, you grow your durum, but the contract's with the Canadian Wheat Board, and it's at the whim and call of the Wheat Board as to when you can deliver it. You're charged for transportation. You're charged for elevation. You're charged for shrinkage. You're charged for the handling of the grain. It's delivered through an elevator system. It may well be that it ends up being trucked to Lethbridge, but you pay the freight as though it had gone to Thunder Bay or to Vancouver.

In the case of durum, Madam Speaker, when the grain producers finally realized that they were paying the full cost, the full freight for transporting their durum to the port, whether it was Thunder Bay or Vancouver, an average railcar in our riding was paying \$2,800 freight off the top for the transport of about 3,600 bushels of durum.

Now, Madam Speaker, that's \$2,800 that would have paid an awful lot of trucking to a processing plant, a value-added plant in a place like Lethbridge or up in Calgary, where you can turn that durum into pasta which ends up with the ultimate consumer here in Alberta. Instead, we're basically forced into delivering through a line company, who in turn turns it over to the Wheat Board. The farmer pays the freight even though it never hit the ports of Vancouver or in this case Thunder Bay but instead went 40 or 50 or 100 miles south, as I said before, to a Catelli manufacturing plant, which under the regulations are forced to buy their grain through the line company and through the Canadian Wheat Board.

Madam Speaker, Bill 209 will put accountability back into the Alberta grain business. The Canadian Wheat Board is not subject to any freedom of information legislation. I'm the last fan of freedom of information legislation. On the other hand, other than the CBC, the Canadian Wheat Board is probably the least accountable and least transparent public entity in all of Canada. The Alberta wheat and barley board will be accountable. Bill 209 forces the Alberta wheat and barley board to be subject to Alberta's Freedom of Information and Protection of Privacy Act. This is a crucial part of the bill that the Member for Calgary-Mountain View is sponsoring.

For those members of the Assembly that may not be familiar with the Canadian Wheat Board and may not fully recognize the need for something like Bill 209, I'd like to briefly discuss some of the

history of the Canadian Wheat Board, because I think it's highly relevant to the intent of Bill 209 and why Bill 209 is necessary.

One of the previous speakers did indicate that it was a monopoly wheat board first implemented during World War I to meet the needs of the war effort. After the First World War the federal government could not justify the board's monopoly position during peacetime, so it was dissolved. During the depression of the Dirty Thirties many farmers began to support a system of pooling, which gave rise to provincial wheat pools. However, the pools were mostly producer driven, not federally legislated. Monopoly marketing was re-established during World War II as a legitimate method of ensuring a reliable supply of grain for the war effort. However, after World War II the federal government retained the Canadian Wheat Board's monopoly marketing powers. In fact, in 1950 the act was amended to include barley and oats.

The Canadian Wheat Board Act became permanent legislation in 1967. In 1974 the Wheat Board gave up control over the marketing of feed grain, and in 1989 oats were exempted from the legislation. But for over 50 years now, prairie farmers have had absolutely no choice in marketing any of their wheat or barley that is destined for export for human consumption.

Over these 50 years but particularly in the past decade the Canadian Wheat Board's monopoly powers have been legally challenged by individual farmers and by producer organizations on behalf of their members but to no avail. In fact, the federal government has had many farmers thrown in jail for the simple crime of selling their own barley or their own wheat, and in the case of the Coutts border crossing, even some constituents that some of us in the southern part of the province know, packing a 50-pound bag of grain over their shoulder.

4:00

Those opposed to dual marketing or free marketing often talk about the studies that have been done over the years showing the great benefits that producers get from the Wheat Board. They talk about the extra \$20, \$30, \$40 or however many dollars per tonne that the Wheat Board earns for the producers. Well, Madam Speaker, I would challenge those arguments on three different fronts. First of all, it's easy for these studies and Wheat Board supporters to suggest that the Wheat Board gets a better price for wheat and barley. Why? Because no alternative has actually been tried, and nobody wants to rock the boat. Supporters of the monopoly will often look back to the years leading up to the creation of the Wheat Board and use this as proof of the board's effectiveness. The fact is that so much has changed since those days that legitimate comparisons are completely ridiculous. With the technological improvements in transportation, communication, and production techniques, to say that the board is necessary and useful for the same reasons as it was in the 1930s is absurd.

Second, most of the studies on the Wheat Board are done for the Wheat Board. Of course, while they trumpet propaganda about the higher prices producers are supposedly receiving, they conveniently turn a blind eye to the other side of the equation, which is the increased costs and inefficiency of monopoly marketing.

Madam Speaker, the board's lack of efficiency is also related to issues of accountability and transparency. Let's face facts. The Canadian Wheat Board is not at risk for any of its decisions or its mistakes. On the one hand, if the Wheat Board overpays producers for grain, the government of Canada comes to the rescue and the taxpayers make up the difference. On the other hand, when the board underpays, the producer is the one that ends up – I'm searching for the right parliamentary correct word here. They get shafted; they end up absorbing the loss, holding the bag, call it what you will.

There's absolutely no way to evaluate or compare the board's performance against any alternative because there isn't any. This situation breeds extremely lazy and incompetent practices which ultimately hurt the people the board is supposed to be working for, the grain producer.

I will give them credit, Madam Speaker: the Wheat Board does a fantastic job in marketing grain internationally. I don't think there are many producers that would knock that part of the Canadian Wheat Board. But for those who would like to choose a more efficient way of marketing grain, of competing locally, of promoting western business, of value added, those choices should be there, and I believe Bill 209 could address those possible choices on behalf of the producers. Everyone knows that there isn't an individual farmer that can market their grain on an international basis in quantities large enough to attract any interest. For that reason the Canadian Wheat Board does hold a lot of respect, and it does have a good function to serve. But all that many of the people I represent have ever asked for is the opportunity to use an alternative method of marketing.

The third reason the arguments of the Wheat Board supporters are not convincing is that since being removed from the Canadian Wheat Board monopoly, the market for feed grains and oats has thrived. For instance, oats were removed from the Wheat Board in 1989, and 10 years later for the first time in history exports of oats exceeded exports of barley, which is still controlled by the board. Historically Canadian oat exports have been a mere 19 percent of barley exports; now they exceed barley. I think it's pretty clear that the best thing that every happened for western Canadian oat producers was having it removed from the control of the Canadian Wheat Board monopoly.

Madam Speaker, there's another important reason why Bill 209 has great potential. If you talk to farmers today and ask them what they see on their grain receipts, they see the big freight bill that I talked about earlier. That astounds them, and those costs are passed directly back to the farmer. The farmer must be able to adapt to get the best price, but not under monopoly marketing. These producers simply don't have the ability to do otherwise. They cannot go after the best price for their product, and they have no legitimate way of going after niche markets either.

Let's say some buyer wants 16 percent number 1 wheat; that's 16 percent protein. Well, how does that buyer get 16 percent protein number 1 wheat? He can't pick it up at Thunder Bay. He can't pick it up at Vancouver or Montreal because everything that hits the port has already been blended in the local elevator. The funny thing is, the farmer that goes to the elevator and sells his wheat for 12 or 14 or 16 percent protein has it all dumped in basically one or two or three bins, so there's no clear standard of high-quality protein that the individual farmer has actually produced. It's blended in and mixed with others so that what in fact you're getting at the port situation is the minimum standard of protein.

You cannot go to a niche market that wants high protein with this particular process. You have to be able to contract directly from the buyer and the producer through the Wheat Board or through an agent of the Wheat Board for that connection to happen, but that's just not possible. The Alberta wheat and barley board will allow producers to access these specialized markets.

Madam Speaker, because there are certain markets in the world that want a specialized product, we can't continue to ignore these opportunities. Maybe it is a certain variety of wheat. Maybe it's a certain protein content of wheat. Maybe it's a certain lysine content. But those opportunities do exist, and we should be able to go after them. We do it with canola, we do it with hogs, but we need to change and evolve so that other opportunities for grain farmers are available. It's my belief that those opportunities are not available under the present system.

Not only has the Wheat Board stifled any opportunities for producers to go after niche markets, but the board has completely destroyed western Canada's value-added grain industries. Before World War II over half of Canada's grain processing industries were situated in the prairie provinces. Today, after 50 years of board control, western Canada is left with a measly 3 percent. This is not acceptable, Madam Speaker, and it's not merely a coincidence. Bill 209 would go a long way to reversing this trend and supporting western rural development.

I would like to briefly relate the story of a man, Ken Dillen, who would probably be in full support of Bill 209, though he's not a member of this Legislature. Many of you have heard about him. He's the last person you might expect to oppose the Canadian Wheat Board. Dillen is a status Indian, a former president of local 616 of the United Steelworkers, one of the largest industrial unions in the province of Manitoba, and he's a former NDP member of the Manitoba Legislature. At first glance this sounds exactly like a person who might be expected to be a huge supporter of the Canadian Wheat Board. In fact, Dillen was a Wheat Board supporter. Dillen's change of heart came when he attended a pro Wheat Board rally in Saskatoon. He described the experience as, quote, crazy.

In Dillen's words – and I quote – all the National Farmers' Union speakers complained about being poor, yet they wanted to maintain all the old institutions that kept them poor. They wanted to preserve things the way they were, yet they knew it wasn't working, that it wasn't doing them any good. I started to realize that something was very wrong. End of quote.

Madam Speaker, this is the irony of the whole thing. Some of the most vocal supporters of the Wheat Board are the ones who complain most about their dismal plight under the board.

I would just like to add a couple more quotes from Ken Dillen because I think they speak volumes about the intent of the Member for Calgary-Mountain View's bill here. Dillen, like many others, knows that – and I'll quote again – the Canadian Wheat Board became a monopoly for the benefit of the government, not farmers. The myth is that the Wheat Board was a great saviour, but the reality is that it is the greatest confiscation of private property in the history of Canada. End of quote.

Madam Speaker, Ken Dillen also sheds light on how absurd the arguments of Wheat Board supporters like the National Farmers' Union can be. He said – and I quote – look at the policy of the NFU: the family farm shall be the unit of production. Well, 30,000 family farms have fallen by the wayside. Now the FCC and the banks are the largest landowners in western Canada. End of quote.

Ken Dillen knows exactly why we need to have open marketing of western Canadian grain. Ken Dillen knows exactly why we need something like Bill 209 to get this ball rolling. Although I've never met the gentleman, I have to believe that many of his observations bear out many of the feelings of the constituents that I represent in Little Bow.

Bill 209 is an important step towards giving Alberta grain growers the economic freedom they deserve, Madam Speaker. I believe that we should stand up and support the admirable intention of the Member for Calgary-Mountain View in Bill 209.

Thank you.

4:10

THE ACTING SPEAKER: The hon. Member for Edmonton-Strathcona.

DR. PANNU: Thank you, Madam Speaker. I would like to make some brief remarks on Bill 209 during second reading. Obviously

the title of the bill is Alberta Wheat and Barley Board Act. I was looking quickly through the bill to see if the bill speaks at all to what will be the relationship between the proposed board, if this act were to pass, and the Canadian Wheat Board and how the provisions of this bill might relate to the Canadian Wheat Board Act. I don't find the necessary information here. I think it's important that we ask some questions about that relationship before a bill of this importance, of this type is fully debated and goes through the full process of legislative examination, debate, and ultimately passage or, contrarily, being defeated here.

Certainly the draft that's before us is not very helpful in answering any of those questions, so in that sense it's not clear what this bill will do. It seems that the assumption is that farmers need more competition and that the Canadian Wheat Board is an undesirable monopoly. I think all of these assertions are just that, perhaps more justified if one looks at the situation through the rather narrow lens of an ideology of competition rather than the history of the record of the Canadian Wheat Board. So one wonders if this bill has been drafted taking into consideration the current support that the Canadian Wheat Board enjoys among farmers on the prairies or whether it's just sort of a pursuit of an idea which is justified more in terms of ideological reasons than for prudent, practical, and historical reasons.

The bill to me is somewhat of a crude attempt to do an end run around the single-desk selling powers of the Canadian Wheat Board. The single-desk selling powers only apply to wheat and barley that is sold into export markets. The Wheat Board was formed by grain producers in 1935. True, it's 40 years old, but it was formed by grain producers in 1935 to counteract the price-fixing of large grain cartels.

The Wheat Board is not some sort of an imposition of the federal government, as might be implied by the Member for Calgary-Mountain View. The Canadian Wheat Board works for and is accountable to wheat and barley producers in the prairie provinces. It's governed by a democratically elected board of directors. It holds regular accountability sessions with producers. It's much more transparent and accountable in its dealings than the private-sector grain cartels like Cargill.

The Wheat Board has an outstanding record of service to grain producers in the prairie provinces. By pooling wheat and barley sold into export markets, the Wheat Board maximizes producer returns and cuts out the middleperson.

It goes without saying, Madam Speaker, that there are some grain producers who do not support the Wheat Board's single-desk selling powers. However, this is a vocal minority of producers that have resorted to media stunts to cover up the fact that they cannot convince the majority of prairie wheat and barley farmers and producers to get rid of the Wheat Board.

During the producer plebiscite held less than two years ago, almost two-thirds of prairie grain producers voted to maintain the single-desk selling powers of the Wheat Board. Instead of accepting this democratic decision made by prairie grain producers, the Alberta government and now this bill seem to continue efforts to belittle and undermine the Canadian Wheat Board. This bill serves no useful purpose other than to set up a costly bureaucracy that would duplicate the functions already ably performed by the Canadian Wheat Board. It will likely expose the Alberta government to a nasty jurisdictional dispute with the federal government and with the governments of Saskatchewan and Manitoba.

Regardless of your position on the single-desk selling powers of the Wheat Board, I would certainly, as the bill stands, vote against the bill and would urge members of the House to do the same. It's simply, in my view, unnecessary and a bad piece of legislation. It

does a disservice to the majority of prairie grain producers, who support the Canadian Wheat Board.

Thank you, Madam Speaker.

THE ACTING SPEAKER: The hon. Member for Livingstone-Macleod.

MR. COUTTS: Thank you, Madam Speaker. I'd just like to add a few comments to the debate today on Bill 209, the Alberta Wheat and Barley Board Act. The reason I'd like to offer a few comments is because of a couple of things. First of all, it's an issue which is of some concern to many people in my constituency. More importantly, it also is one of those things that the Pacific Northwest Economic Region, or PNWER, has discussed on many occasions with our grain summits and that type of thing.

First of all, the issue was brought forward by people who live in my constituency, and what they experience, in their discussions with me, is some frustration with the Canadian Wheat Board and its monopoly over marketing powers. They would like to take a look at a legitimate alternative, at marketing choice. That seems to be the main theme that my constituents are looking at. The Alberta wheat and barley board would be a legitimate marketing alternative and might satisfy folks, farmers and ranchers, in my constituency, so that's why I took a special interest in looking at Bill 209.

Madam Speaker, in looking at Bill 209 I wasn't really convinced that the bill was the absolute best way to offer dual marketing for Alberta wheat and barley. But then after some consideration and after having some discussions with my constituents and looking at the cross-border issues, I realize that there probably is no best way to confront the federal government's Canadian Wheat Board monopoly. Dozens of individuals and organizations have gone to court and even to prison to challenge the legitimacy and constitutionality of this federally legislated monopoly. These are people who are spending their own dollars – many of them, particularly in that business, sweat-soaked dollars; it comes to millions of dollars, in fact – to fight for their legitimate rights and freedoms against what I feel is a stubborn federal government monopoly.

Madam Speaker, I asked myself and I think all members of this House who support the market economy and economic freedom should ask themselves: if not Bill 209 as proposed, then what do we do, and how do we do it? How does one go about challenging the only economic entity in Canada that is a tightly legislated monopoly, that has no competitors, and is one which offers its producers absolutely no choice in how to sell their product? It's against all our basic freedoms. So I look at it as a real dilemma, but the fact is that there doesn't appear to be any other way. It is time for us as legislators, as people within this Legislative Assembly, and particularly the government to defend the rights of Albertans and make this a jurisdictional issue.

4:20

The Canadian Wheat Board has been challenged on a number of fronts on the issue of property rights and even as a matter under the Charter of Rights, but whenever someone gets close to a successful challenge of the Wheat Board's authority, the federal government simply amends the Canadian Wheat Board Act to kind of plug the leak in that act. The federal government appears to be very determined to continue its violation of personal freedoms, not to mention the massive confiscation of private property in western Canada.

So, Madam Speaker, the conclusion that I have come to is that Bill 209, again, may not be the best way to offer Alberta grain growers a marketing choice. The best way would be to have a federal government that would get rid of the Wheat Board altogether or

make it voluntary, but seeing as this hasn't happened in the past 50 years and there's no sign that it will happen in the near future, Bill 209 might just be the only way that producers will have a clear choice for marketing their product. That clear choice was demonstrated in the 1995 plebiscite on this particular issue.

A little bit about the bill. From my interpretation the Alberta wheat and barley board would not even be a marketing board in the same context or in the same way that the Canadian Wheat Board operates. It looks to me as though the Alberta wheat board is only meant to be a vehicle through which producers would sell their wheat and then buy it back with a minimal administration fee. Producers could then market the wheat product themselves. It could be to an Alberta processor or to an American buyer, and that's particularly advantageous for those of us that are close to the border, those of us that produce that product close to the Montana-Alberta border.

This seems to be the main purpose of the Alberta wheat and barley board. It seems obvious that this would begin the revitalization of Alberta's wheat processing industry, which has been decimated this century because of the Canadian Wheat Board.

Madam Speaker, I must say that this bill I think has the potential to improve our wheat and barley trade, particularly, as I said, in the Pacific Northwest. As president of PNWER I'm confident that a more open marketing environment for wheat and barley importing and exporting, which is what the PNWER region talks about, would be well accepted by all member provinces and all member states. I think that PNWER itself has recognized the potential for opportunity in working together with the five states and two provinces. This is another example of how we can work together not only within Alberta but also with our member states to a more open marketing system. We would use the people that are presently working within PNWER to be that dispute mechanism that could turn this liability into opportunity. So in view of the fact that they have identified that there's an opportunity – "they" being the PNWER states and provinces and the people working within PNWER – I think this bill is an opportunity to make it voluntary.

In conclusion, Madam Speaker, I'd like to commend the Member for Calgary-Mountain View for sponsoring this bill. I am going to support his bill. I'm in complete agreement with the spirit and the intent. I think we can look at this as being a positive step for Alberta grain growers. There are perhaps a few specific aspects about the bill that could be debated and maybe should be debated, but these would be matters for the Committee of the Whole. At this time I hope that we get the opportunity to discuss these in Committee of the Whole.

I thank you for the opportunity to speak to Bill 209, Madam Speaker.

THE ACTING SPEAKER: The hon. Member for Medicine Hat.

MR. RENNERT: Thank you, Madam Speaker. It's a pleasure to be able to have an opportunity to address Bill 209 this afternoon. I was listening very carefully as the Member for Calgary-Mountain View introduced his bill, and I found it interesting that he began his presentation by pointing out that he is not a grain farmer and represents an urban riding. I thought that that would give me the opportunity to also speak to the bill, because I, too, am not a grain farmer, and I represent an urban riding.

Madam Speaker, there is not one kernel of grain grown within my constituency. Nevertheless, that doesn't mean that this bill has not been the subject of much discussion in and about my constituency. There is a significant number of my constituents who are retired grain farmers or who in fact live within the city of Medicine Hat and

commute to farmland outside of the city. So I'm not totally ignorant of the issues around Bill 209 and certainly of the concerns that many of Alberta's and western Canada's wheat farmers and barley farmers have with respect to the Canadian Wheat Board.

I mentioned that I'm not a grain farmer. My history and my background is one of free enterprise. My grandparents on both sides of the family were involved in small business in one form or another. I believe and my family through the years has believed very strongly in the concept of a free market. The concept of a monopoly, such as that which is in place with respect to the Canadian Wheat Board, really is contrary to everything that I have been brought up to believe in.

At the same time, Madam Speaker, I have also been brought up with a very strong belief – more than a belief – a commitment that in our society one should honour and respect the laws of the land and that if the laws of the land are inappropriate, one should work to change the laws of the land. I see this bill as being somewhat mischievous in that perspective, because this bill is not proposing to change the laws of the land as much as to challenge the laws of the land.

My understanding is that there's a very strong possibility that this legislation could be considered ultra vires. What that means is that it's contrary to the jurisdiction of this legislature to consider a bill of this type. The Constitution that we operate under in this country clearly indicates that provincial legislation cannot contravene federal legislation. I think there are much better ways of accomplishing the ultimate aims, which are laudable, in this bill.

I think, if I understand correctly, that the ultimate goal of the growers who are supporting this bill is to give them the freedom of choice that they so rightly deserve. It's absolutely ludicrous in my mind that someone would be forced to sell their product at a price that they have no say on and in quantities that they have no say on. From that perspective, I think the goals and objectives of this bill are absolutely laudable.

While the Member for Calgary-Mountain View clearly expressed his intention on what the purpose of this board would be and how the board would operate, frankly, in reading the bill, it doesn't really reflect the same kind of simplicity that the member referred to. In fact, taken to its extreme, it would appear that we might just be replacing one very inefficient bureaucracy with another very inefficient bureaucracy. Instead of having the head office in Winnipeg, the head office presumably would be somewhere in Alberta.

4:30

I don't think this bill goes far enough to accomplish what the growers who have spoken to me have indicated. The growers who have spoken to me do not want to have to sell their grain through an intermediary, through a flow-through mechanism, such as is proposed in this bill. They want to have the right to sell to whomever they wish, just like you and I, Madam Speaker, have the right to sell other commodities.

So for those reasons – the fact that I don't think this bill is constitutional and, more importantly, that I don't think the bill accomplishes what it is intended to accomplish – I will not be supporting this bill, and I encourage all members to do the same.

Thank you very much.

THE ACTING SPEAKER: The hon. Member for Calgary-Glenmore.

MR. STEVENS: Thank you, Madam Speaker. I'm pleased to spend a few minutes this afternoon talking about Bill 209. Like some of the previous speakers, I too am an urban MLA, but I do have my

roots in the rural country. I was born just north of Medicine Hat in a small town called Empress. It is probably for that reason that I do find this bill to be interesting, but it's because of other roots that I may have, particularly my legal roots, that I have a serious reservation with respect to this bill.

From my perspective, Madam Speaker, the most serious problem with the bill is that it is probably unconstitutional. I say "probably" only because a court decision would be necessary to have certainty, and if there is a court case, then it will be at the expense of the Alberta taxpayers. It will be a significant expense, and it will be wasted resources. In cases where provincial and federal legislation are in conflict with each other, federal legislation takes precedence. In my opinion, there is no doubt about that. In my opinion, Bill 209 contravenes the Canadian Wheat Board Act, which makes the bill *ultra vires* or, in other words, illegal.

That is the one and only point I wish to make with respect to the bill, Madam Speaker, and as such I will not be able to support it.

Thank you very much.

MR. FISCHER: Madam Speaker, I'm pleased to support this bill. I think this bill is a great bill. It gives alternatives to farmers. I should say "given my background," because I've sold lots of wheat to the Wheat Board. That's the only place you could sell wheat. We watched for years how the Wheat Board – what basically they did was they gave you an initial payment. They held back about a dollar a bushel to see how much they would get at the end of the year, and then pooled it. We used to always say in a joking manner that they lived high down there for quite awhile, and whatever was left over they gave back to you. We had no choice on that at the time, and that was our product.

It isn't fair that across Canada only western Canada is part of that. Ontario has their own board. They asked the government for permission to export, and they can do what they like with it. So it's very discriminatory against western Canada. I just want to put one point across, and that is that it has cost the producers a lot of money not to have competition in the marketplace.

We look at what happens when you raise a bushel of wheat today. The first thing you have to do is spend \$25 an acre for fertilizer, \$20 for chemicals, another \$20 for seed, \$25 for rent, and it goes on. You're up over a hundred dollars an acre in no time. In fact, I would guess that on our farm, with some of the lease land your input costs are \$135 or \$140 an acre. So then if you don't get 40 bushels of grain to the acre, you can't even break even. We have watched over the years the supply companies and the inefficiency in our transportation and the protection or monopoly of the Wheat Board gradually take away any margin from producing a bushel of grain.

So I really believe that we have to stand up. I don't know if it's legal or not legal, but let's get into this system and try. We have to open up the system and quit protecting all the time. It's a funny market. We try to be in the free, open-market system, but anybody that's got something in a monopoly, they cry for the protection.

I think our government's got an obligation to at least look for some alternatives. If this isn't the answer, then let's find something that is the answer.

Thank you very much.

THE ACTING SPEAKER: The hon. Member for Calgary-Mountain View to close debate.

MR. HLADY: Thank you, Madam Speaker. First of all, I would like to thank everyone who participated in debate. I do appreciate it. I would like to see the debate continue in Committee of the Whole if it were at all possible. There were some excellent comments and

suggestions during the debate so far, and I'm sure we would have more if we got there. I realize that this can be a very emotional issue and that people often have extremely staunch opinions about the Canadian Wheat Board's effectiveness and its appropriateness.

At this time I would like to sum up my position on this bill. One of the main questions was in regards to the actual content of this bill. Madam Speaker, it was very important that the contents of this bill mirror the Ontario wheat board. It's not something that you would want to set up directly in today's open-market economy, that you would like to see. Unfortunately, to have a chance of being successful through a Charter of Rights challenge, it was important that it mirror the Ontario wheat board as it stands today. That was the purpose for building it the way it was.

I realize that creating an Alberta wheat and barley board may not be the most desirable way of giving Alberta grain growers a marketing choice. Clearly, the best case scenario would be if the federal government were to shut down the Canadian Wheat Board or at least make it voluntary and a choice in open marketing. After 55 years and numerous court challenges it seems pretty obvious that Ottawa wants to continue trampling on the rights of western Canadian grain growers with what amounts to an insidious and unwarranted confiscation of private property.

If the federal government had shown any signs over the past decade or so of giving western producers the marketing choice that they have denied them for 50 years, then Bill 209 would not even be necessary. If any of the individuals or agricultural commissions that have challenged the Wheat Board in the courts had been successful at all, then Bill 209 would not be necessary. If the federal government had any respect whatsoever for property rights, in fact what should be Charter rights, then Bill 209 would not be necessary, Madam Speaker.

Unfortunately, the reality is that we have reached a point where provincial elected officials must stand up against Ottawa in support of the individual rights of their citizens. It's really too bad that it has come to this point. But where else are Alberta's wheat and barley producers supposed to turn? Federal politicians continue to snub their noses at prairie farmers, and the courts are handcuffed by the Canadian Wheat Board Act. There really appears to be no other way.

Madam Speaker, I realize that there are many Alberta farmers who support the Canadian Wheat Board, and they should have that choice and continue to have it. That's fine. In fact, Bill 209 does nothing to prevent them from continuing to market through the Canadian Wheat Board. They'd still have that option. There's absolutely no reason why farmers who wish to market freely should be held hostage by this legislated monopoly.

The last time I checked, Canada still claimed to have the market economy that we heard talked about here today. So I say: let Wheat Board supporters support the use of the Wheat Board, but let others have at least one other choice. Let those producers who want to use the Alberta wheat and barley board be the ones to help re-establish Alberta's grain processing industry, which has been lost to eastern Canada because of the Canadian Wheat Board monopoly. Let them explore export markets and niche markets. This seems like a fairly reasonable request in a market economy.

Madam Speaker, I would like to thank all Albertans and western Canadians who wrote me letters, sent me e-mails, and phoned my office to offer their opinions on Bill 209. I greatly appreciate all of this input, both favourable and not so favourable. It was extremely useful.

Madam Speaker, I also dedicate this bill to all the western Canadians who have gone to prison for the so-called crime of selling their own wheat. I hope that their sacrifices have not been in vain.

I believe very strongly in this as the right of Albertans and Canadians, and I hope to have support in this.

Thank you.

THE ACTING SPEAKER: All those in favour of second reading of Bill 209, Alberta Wheat and Barley Board Act, please say aye.

SOME HON. MEMBERS: Aye.

THE ACTING SPEAKER: Opposed, please say no.

SOME HON. MEMBERS: No.

THE ACTING SPEAKER: I would say it's carried.

[Several members rose calling for a division. The division bell was rung at 4:40 p.m.]

[Ten minutes having elapsed, the Assembly divided]

[Mrs. Gordon in the chair]

For the motion:

Clegg	Fischer	Hlady
Coutts	Friedel	McFarland
Dunford	Hierath	

Against the motion:

Boutilier	Johnson	Pham
Broda	Jonson	Renner
Calahasen	Klapstein	Severtson
Cardinal	Laing	Shariff
Carlson	Langevin	Stevens
Day	Lougheed	Strang
Dickson	MacDonald	Tannas
Doerksen	Magnus	Tarchuk
Ducharme	Mar	Taylor
Evans	Melchin	Thurber
Fritz	Nicol	Wickman
Gibbons	Olsen	Woloshyn
Graham	O'Neill	Yankowsky
Hancock	Pannu	Zwozdesky
Herard		

Totals:	For - 8	Against - 43
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THE ACTING SPEAKER: Bill 209 is defeated. Obviously standing is worth a thousand words.

[Motion lost]

Bill 210 Charitable Donation of Food Act

THE ACTING SPEAKER: The hon. Member for Calgary-Bow.

MRS. LAING: Thank you, Madam Speaker. It's a pleasure to rise today to introduce Bill 210, the Charitable Donation of Food Act, to the Legislative Assembly and to move second reading.

I've been a firm supporter of Good Samaritan legislation for several years, and in the last session of the Legislature I sponsored Motion 523, which was similar in scope to this bill which we're discussing today. I am glad to have the opportunity to introduce a

Good Samaritan bill which goes beyond the scope of Motion 523 at this time.

Madam Speaker, Bill 210 has as its goal increasing the donation of food to Alberta food banks. It recognizes that while it is a goal of our government to have as few Albertans relying on food banks as possible, food banks are still an important institution for some, and these food banks need to be stocked with good-quality, nutritious food year-round.

[The Speaker in the chair]

Good Samaritan legislation has been introduced and accepted in every other province in Canada as well as across the United States. In my research I've noticed that Good Samaritan legislation, perhaps more than any other kind of legislation, has bridged any sort of partisan gap that may exist in a particular jurisdiction. It has been introduced by the New Democrats in Saskatchewan, as a private member's bill by Liberals in British Columbia and Ontario, as well as by the Conservative government of Manitoba. Despite differences in ideology, these Legislatures recognize the importance of their local food banks to their communities and the desire of many local residents as well as businesses to contribute to them. It's my hope this afternoon that the Legislature of Alberta will also share in this vision and join together in the passage of Bill 210.

Mr. Speaker, some people may argue that there's no need for Good Samaritan legislation in the province of Alberta. Indeed, our province is noted for its generous and hardworking people, people who devote so much of their time to volunteer in community efforts. However, Good Samaritan legislation is not designed to cajole more people into becoming volunteers but rather to create more opportunities for volunteers and to give prospective food donors more options and the freedom to contribute wherever they can.

Food banks in our province as well as everywhere else in Canada are relatively new entities. Charitable organizations have been involved in the collection and distribution of food for many years. However, the institution of food banks has only been in place in Alberta for around 20 years. Today, in addition to the charitable organizations that still distribute food to the needy, there are 74 food banks in different communities around our province. Alberta food banks serve around 36,000 Albertans each month and collect and distribute millions of kilograms of food each year. In 1997 alone, the Edmonton Food Bank collected and distributed nearly 2 million kilos of food.

Donated food comes from many sources, including individuals, the food industry, and corporations. Of course, the majority of food donated has been of the nonperishable variety. Albertans' donations to food banks have been very generous indeed.

However, while donations to food banks are strong during the holidays, they're not as strong at other times of the year. Bill 210 will open the door to more regular and increased sizes of donations, especially from organizations such as grocery stores, who have a constant supply of surplus food which many times gets wasted. As well, Bill 210 will open the door for donations of fruit, vegetables, and dairy products. These foods are rich in vitamins and nutrients, which are important for everyone's health and development. Increased access to such foods will contribute to improved health for those who may not normally get a balanced or complete diet.

Presently in Alberta, Mr. Speaker, food donation is governed by product liability standards set by Canadian common law. The law dictates that both the food manufacturers and distributors have a duty to act with reasonable care, whether a product has been donated or purchased. If an injury results from the consumption of that product, the distributor or donor could be held liable, regardless of

whether or not the donor or the distributor was grossly negligent or attempting to cause harm to someone.

As a result of this, prospective food donors and food banks have shied away from collecting and providing a great many different types of food. While nonperishable items provide the guarantee of security against possible liability or lawsuit, the possibility of a lawsuit has caused many to avoid food they believe to be fresh and safe to eat. Fresh foods such as fruit, vegetables, and dairy products therefore are usually not donated or distributed.

Mr. Speaker, Bill 210 would amend these constraints by providing immunity from liability charges for food banks and donors who provide food they know and believe to be safe for consumption. Section 2 of Bill 210 provides protection from liability for individuals or businesses if they donate food that is safe for human consumption and not tampered with. Liability remains for those who knowingly distribute food not fit for consumption or who intend to cause harm to recipients or who act with reckless disregard for others.

As the emphasis in this bill is charity, liability protection is only guaranteed for donors and distributors of food who operate on a not-for-profit or charitable basis. Restaurants will not gain liability protection for the meals they prepare for customers, and grocery stores will not gain liability protection for food sold off their shelves or from behind their counters.

5:00

Mr. Speaker, the Charitable Donation of Food Act strikes the right balance between encouraging additional and more diverse food production donations and leaving appropriate protections in place for those who eat donated food. I believe that this is a balance that all participants in the food donation system will appreciate and support.

Mr. Speaker, the support that I have received from stakeholders so far has been very encouraging. There has been a call from food donors, food banks, and other charitable organizations for this type of legislation in the past, and each of them has risen in support of Bill 210.

The Alberta food bank association was a strong supporter of my motion in the previous session and urged its member associations to press our government to introduce and pass the accompanying legislation as soon as possible. I am proud to inform the Alberta food bank association that we're one step closer to making their desires a reality.

The Salvation Army branch from Peace River has also pledged their full support for Bill 210 and has pointed out that such legislation, quote, in no way diminishes efforts to provide the very best food and services to their communities, close quotation.

Mr. Speaker, the Canadian Council of Grocery Distributors has also been an advocate of Good Samaritan legislation. They point out that such legislation will likely trigger increased donations from member grocery distributors. For instance, we have seen many

examples where very good food has not been donated, and it has to be gotten rid of and disposed of.

I was on a committee that toured the province for a number of years, and I was in one institution where two or three of the people who lived there had as a hobby gardening and had the most beautiful, large vegetable garden I've ever seen. Yet the vegetables from that garden could not be used in the institution under some type of health law. What a waste that was.

In many of the rural areas where people have beautiful gardens and fresh produce, they actually cannot, supposedly, donate it to shelters and to food banks. So this will give those people protection. This was beautiful food, probably better than you'd buy in the store. So this will enable people to make these kinds of donations that to me seem much wanted.

We had sent out 84 letters to food banks, distributors, and other people and received many letters and phone calls of support. They're very anxious to see this come to pass.

Of course, Mr. Speaker, it's the goal of all members of this Assembly to achieve a society where none of our friends, neighbours, or communities need to rely on the food bank for regular meals, where they and their children get the nutrition they need to grow and to learn effectively in school. Each of us strives each day to create a province where all Albertans have the means to support themselves and their families.

While our province is a prosperous one and while the majority of Albertans are able to provide for themselves and their families, unfortunately there are still some Albertans who must rely on the local food bank to put food on their table. Mr. Speaker, we can do more to assist those in need and those who work so hard to provide for those in need.

Bill 210 is not the solution to ending poverty in our society, but it will be useful to provide assistance to those who need additional help for themselves and their families. For that reason, Mr. Speaker, I would like to encourage all members of this Assembly to join me in support of the Charitable Donation of Food Act. I look forward next week to the remaining debate on this bill.

Thank you, Mr. Speaker. I'd like to adjourn debate.

THE SPEAKER: On the adjournment motion put forward, would all those in favour please say aye?

SOME HON. MEMBERS: Aye.

THE SPEAKER: Opposed, please say no.

SOME HON. MEMBERS: No.

THE SPEAKER: Carried.

[The Assembly adjourned at 5:05 p.m.]

