

Legislative Assembly of Alberta

Title: **Wednesday, April 8, 1992**

2:30 p.m.

Date: 92/04/08

[Mr. Speaker in the Chair]

head: **Prayers**

MR. SPEAKER: Let us pray.

Our Father, we thank You for Your abundant blessings to our province, our country, and ourselves.

We ask You to ensure to us Your guidance and the will to follow it.

Amen.

head: **Reading and Receiving Petitions**

MR. SPEAKER: Calgary-McKnight.

MRS. GAGNON: Thank you, Mr. Speaker. I request leave to ask that the petitions tabled on behalf of all teachers by the members of the Liberal caucus be read and received at this time.

CLERK:

We, the undersigned, as professional staff members of various schools, urge the Legislative Assembly of Alberta to accord favourable consideration to the following resolution, adopted by teacher representatives at the Emergent Representative Assembly of The Alberta Teachers' Association on September 28, 1991:

Be it resolved, that The Alberta Teachers' Association return to negotiations with the Government with a view to concluding a new agreement in which;

- (a) teachers and the government jointly contribute the full amount of all future service costs to the Teachers' Retirement Fund,
- (b) the government assumes full responsibility for the total unfunded liability related to past service costs and adopts an acceptable plan for retiring that debt,
- (c) the government amends the TRF Act to provide full cost-of-living adjustments to pensions, and
- (d) the other changes incorporated in the May 4, 1991, Memorandum of Understanding are retained.

head: **Notices of Motions**

MR. SPEAKER: Edmonton-Gold Bar.

MRS. HEWES: Thank you, Mr. Speaker. I beg leave to give notice that under Standing Order 40 I will ask for unanimous consent to propose the following motion:

Be it resolved that this Legislative Assembly urge the government to provide interim health care measures to ensure residents of Peerless Lake and Trout Lake have access to an adequate level of health care service until such time as the matter is resolved between the province and the federal government.

head: **Tabling Returns and Reports**

MR. ANDERSON: Mr. Speaker, I'm pleased to table the Automobile Insurance Board annual report for the year ended December 31, '91.

MRS. McCLELLAN: Mr. Speaker, it is my pleasure to table the annual report of the Alberta Agricultural Research Institute for the year ended March 31, '91, and the Farming for the Future progress report for the year 1991.

head: **Introduction of Special Guests**

MR. ELZINGA: Mr. Speaker, it's my pleasure, sir, to introduce to you and through you to Members of the Legislative Assembly a number of future leaders from the constituency of Sherwood Park. They are the Mills Haven 12th Guide company. They're joined by their group leaders Mrs. Doris Korpesio, Mrs. Peggy Moir, and Mrs. Kay Day. They're in the members' gallery, and I would ask if they would all rise to receive the warm welcome of this Legislative Assembly.

Mr. Speaker, I also have another group, and it's my pleasure, sir, to introduce to you and through you to Members of the Legislative Assembly 33 members of Edmonton's first Probus Club. Probus clubs are sponsored by Rotary clubs and are for the retired professional and business men of our community. This group is sponsored by the West Edmonton Rotary Club and was formed in September of 1991. These leaders have provided a great deal of direction to our province and to our city. I would ask that they rise – they're seated in the public gallery – so that all members can express our appreciation to them.

MR. SPARROW: Mr. Speaker, it's a pleasure to introduce to you and through you to the Members of the Legislative Assembly a group of grade 9 students from the Leduc junior high school in Leduc. These six students are accompanied by Mr. Greg Fedor and are seated in the public gallery. I would ask that they rise and receive the warm welcome of the Assembly.

MR. SPEAKER: The Minister of Public Works, Supply and Services.

MR. KOWALSKI: Thank you, Mr. Speaker. In the members' gallery today are 35 young students from Swan Hills school. They're accompanied today by two teachers, Mr. Ralf Lemire and Ms Susan Bowsfield, and six parent helpers as well: Mrs. Berglund, Mrs. MacDougall, Ms Joyce, Mrs. Yagos, Mrs. Mutschler, and Mr. Ritchie. Swan Hills is a very famous locale in the province of Alberta. I'd ask our guests to rise and receive the warm welcome of the Assembly.

MR. DINNING: Mr. Speaker, in our gallery today is a Calgary-Shaw constituent Mrs. Ute Davies. Mrs. Davies has served on the Social Care Facilities Review Committee for the last number of years, and I'd ask her to stand and have all hon. members express their appreciation for her several years of service.

head: **Oral Question Period**

MR. SPEAKER: The Leader of the Opposition.

Provincial Budget

MR. MARTIN: Yes, Mr. Speaker. Yesterday we learned from the Minister of Energy that natural resource revenues are down \$1.2 billion from what the Treasurer predicted in last year's budget. Frankly, this doesn't surprise anyone that's followed what happened last year. As I've said many times, this was a PR, political budget so they could say that they had a balanced budget going into their convention. But there are some other revenues estimated in the budget, and after yesterday's revelation it appears that the government wants to reveal information in the budget in bits and pieces. So let's take a look at the corporate tax revenue, estimated to be \$900 million in last year's budget. My question to the Treasurer is simply this: will the Treasurer tell this House how far out his projections of corporate tax revenue are?

MR. JOHNSTON: Mr. Speaker, what we said yesterday in the question to my colleague the Minister of Energy was that all Albertans understand that a budget and to some extent the economy of Alberta is driven by oil and gas prices. Certainly in the last year our budget was based on some assumptions about energy prices, both oil and gas, and we did find that the gas prices dropped more rapidly than anyone had forecast. As my colleague pointed out, that has hit our revenue base for the province in '90-91.

Mr. Speaker, we'll be prepared to provide a full update as to the other revenue sources over the course of the next few days here when the budget is presented, and I think we'll have an opportunity to dissect, if the Member for Edmonton-Norwood so wishes, all of the elements there. I know that one major signal will prevail on the revenue side; that is that people of Alberta certainly have had more money than any other province in Canada. As a consequence, we've had a very strong and dynamic income in the hands of the people. Really that's one of the major objectives of this government, to protect the income of individuals in Alberta, and we've done that.

MR. MARTIN: Mr. Speaker, this government doesn't seem to realize that we have a financial crisis here. They come in and yammer about a balanced budget, spend taxpayers' money, and now they're saying that they couldn't predict it. Almost everybody, except them, could last year. What we're talking about is honesty to the people of Alberta.

Yesterday you said that there was \$1.2 billion. I'm asking today in the Legislature what the rest of the damage is. Would the minister now confirm that the deficit, because of the lack of revenues, will be close to at least \$2 billion?

2:40

MR. JOHNSTON: Mr. Speaker, the Member for Edmonton-Norwood gets hot and bothered when it comes to identifying his question. There's no crisis in Alberta, far from it. The crisis is in the member's mind entirely.

Mr. Speaker, what has happened here is that the province of Alberta has presented a very cautious plan, which was essentially forced on us by the change of world oil prices in 1986-87. As I said yesterday, in a cautious and evenhanded approach we took the province of Alberta's fiscal position from '86-87 through to last year on a very careful basis, measuring that we would not reduce our expenditures and cause difficulties in health and education systems but would control overall our expenditures, would not level taxes against Albertans so that they would have the disposable income in their hands to make choices with their dollars, and to manage through that with the fundamental strength which this province has, in part accounted for by the strength of Albertans, the strength of the economic position of Alberta, and the resources which we have included in oil and gas and the heritage fund savings. That's the plan; that's how it happened. There's no crisis. The crisis is in the mind of the Member for Edmonton-Norwood.

MR. MARTIN: Mr. Speaker, if that was a cautious plan last year, I'd hate to see them when they get reckless.

The problem is the dishonesty of this government. Last year they said they had a balanced budget and in June came and asked for the province's debt ceiling to be raised by \$2 billion. We made the case then, Mr. Speaker. The Treasurer knew full well at that particular time that the budget he gave was nonsense. That's why we had to raise the ceiling. My question to the Treasurer: will he finally now admit that he knew all along that the budget

wasn't balanced, that it would have a deficit of close to \$2 billion, and that's why we raised the debt line?

MR. JOHNSTON: Mr. Speaker, the member gets this anxiety attack, and he gets hot and flustered and loses control. As the Premier said yesterday, it's typical of the acting school that all socialist leaders must have gone to. He throws his papers around and huffs and puffs and explains some calamitous position which doesn't exist.

Through the course of this year, as I've said before, we've had a very strong economic position. I have related to Albertans the strength of this position, and the strength of that position is because people believe there's a predictable investment situation in Alberta, where dollars can be at home in new investments, where people feel their capital is safe, safe from additional taxes which socialist governments would always levy, and a climate where investment is attractive, where investment is welcome, and where jobs are created. That's the way in which we have evenhandedly managed this economy over the past five years, and that's exactly how we'll handle it over the decade ahead.

MR. MARTIN: You're right; I'm having an anxiety attack. I'm afraid they're not going to call an election, and we'll be more in debt, Mr. Speaker.

Municipal Financing Corporation

MR. MARTIN: Back to the Treasurer, we have the worst of all worlds: a burgeoning deficit, high unemployment, more and more jobless. I want to tell him that municipalities around the province live in fear of this government's mismanagement of Alberta's finances. Mr. Speaker, the Alberta Municipal Financing Corporation has a \$300 million surplus. Now, I expect that this provincial government is eyeing it to deal with their burgeoning deficit, but if not, if I'm wrong, will the Treasurer assure this Assembly that the \$300 million in the Municipal Financing Corporation will be paid out directly to local authorities?

MR. JOHNSTON: As I've said in the House before, the Alberta Municipal Financing Corporation board of directors has considered this issue. It's on the public record already. As I understand it, the board has deferred that issue, Mr. Speaker, and I suppose it'll be under consideration at some point in the future.

MR. MARTIN: At some point in the future? Probably in the next budget, I would think, whenever they get the courage to bring it in.

I want to say to the Treasurer that that \$300 million could be used by municipalities to create jobs at the local level instead of used by the Treasurer to boost his revenues, Mr. Speaker. I want to ask the Treasurer simply this: why wouldn't the government give this \$300 million to the municipalities so they could put people back to work?

MR. JOHNSTON: Well, I assume he's making a statement and not asking a question. If the Member for Edmonton-Norwood is outlining for us and confirming what this province has already done - that is to say, to make massive investments in infrastructure in this province, investments which are unmatched anywhere in Canada, which in fact also provide a support for private-sector investment in this province, investment which the Premier outlines should include not just streets and roads and sewer and water systems, which are by comparison at the best level in Alberta, but also infrastructure in information technologies which takes us into

the future – then of course we are of one accord because we do agree that should be an objective. That's what we have done by investing in these facilities over the past few years, by major and significant transfers to our local partnership: friends, municipal governments, schools, hospitals, and local governments. We have done just that, Mr. Speaker. So on that point, I'm glad to see that the Member for Edmonton-Norwood is confirming the Conservative Party's policy of the past decade.

MR. MARTIN: Albertans don't find the Treasurer amusing with the tired old rhetoric about the best in Canada, the best in the world, the best in the universe, Mr. Speaker. Let's get real. We're talking about the \$300 million here.

I want to ask the Treasurer: isn't what's going to happen simply this? This government is going to grab that money from the municipalities to deceive Albertans about the true picture of our burgeoning deficit. That's what they're going to do, isn't it, Mr. Speaker?

MR. JOHNSTON: Since the member recognizes the strengths of Alberta and lists them off, perhaps I could start by listing my worst case scenarios for the member across the way. Well, I won't do it, Mr. Speaker. I simply won't get into that sort of narrow-minded rhetoric, which the Member for Edmonton-Norwood likes to pursue.

Let me say, Mr. Speaker, that we have had representations from the municipalities with respect to the AMFC surplus. This surplus has accumulated in the AMFC. I notice the Member for Edmonton-Glengarry says that it's included in our debt calculation, by his own estimates, and that should be on the record.

We also have had under consideration ways in which we can look at a variety of ways to examine more fairly the transfers to municipalities, and we've had a series of representations on that side. The Premier, as a matter of fact, has set up a council to look at the transfers to municipalities, using the limited resources which the province has and recognizing the dynamic needs which the municipalities will see in the future. We now have under consideration a series of policies which would examine just that. I'll take it as information from the member as opposed to exchanging sharp barbs with him, Mr. Speaker.

Provincial Budget

(continued)

MR. DECORE: Mr. Speaker, from the time that the Treasurer took responsibility for his portfolio to the end of March of 1992, the Treasurer has miscalculated energy revenues by 2 and a half billion dollars. That's negatively miscalculated. Most experts last year told us that we would not see the price of oil that the Treasurer was predicting. I'd like to know from the minister where he continues to get his bad information.

MR. JOHNSTON: Well, Mr. Speaker, it is in fact a matter of record that our oil price forecast has been right three times out of five. That's batting .600, far better than the member's record.

MR. DECORE: Mr. Speaker, 2 and a half billion dollars of miscalculation, a likely better than billion-dollar deficit this year. That's not a good track record.

Based on that track record, I'd like to ask the minister: what process is the minister putting into place to ensure that these kinds of phony baloney figures aren't put forward to Albertans in the next budget?

MR. JOHNSTON: Mr. Speaker, the Member for Edmonton-Glengarry obviously comes from the same school of crisis, where in fact the only focus and the only result of his outlandish statements is in fact that he himself does not know what the solutions are.

Let me assure you, Mr. Speaker, that the Conservative Party of Alberta and our leader, the Premier of Alberta, has a solution in mind. We have presented a plan already which has taken this province of Alberta through a very difficult period. We have, as a matter of fact, said to Albertans that we have had to rely on oil and gas revenues for some time. It's the way in which we built the foundation of this province from '70 to 1984-85, and we have now changed to face that changing situation.

Nonetheless, we have made some adjustments accordingly, and the major adjustments we have made are in fact twofold. We have said to Albertans that a reasonable amount of debt should be in everybody's business plan. Even the Member for Edmonton-Glengarry must have a Visa that he uses from time to time. Families mortgage income to pay for a house. The government in the same sort of evenhanded manner has used the borrowing power that we have to manage our way through so we can maintain the services without increasing taxes.

2:50

So we have had to that, Mr. Speaker, and we have had to examine the reliance on oil. Right now, as the Minister of Energy has pointed out in this House, our reliance on oil has reduced from 50 percent of our total revenues in about 1981 to less than 20 percent this current year. At the same time, we have diversified the economy, generated more jobs, and in fact have increased our overall economic . . .

MR. SPEAKER: Thank you.

Final, Edmonton-Glengarry.

MR. DECORE: Mr. Speaker, for years the Provincial Treasurer has refused to supply information to Albertans on the underlying price of natural gas. Now that we're going to have freedom of information, will the minister commit to providing that information when he brings down his next budget?

MR. JOHNSTON: It's a fair comment for the Member for Edmonton-Glengarry to say that perhaps we should be more clear with the price of natural gas and the assumptions we use there. I'll make just two general comments. First of all, it's very difficult to find a universal and, if you like, readily understandable price for natural gas. Those people who are in the industry will tell you that there are at least four or five different prices that may be commonly referenced. What we have said to Albertans is that the price of crude oil, as measured in U.S. dollars off the New York Mercantile market, is in fact a reasonable proxy for our total Alberta royalty revenues. I think, Mr. Speaker, that in fact that was the problem last year. We said to Albertans that we had a fairly good profile and forecast on the oil price, but we did not expect that the price of natural gas would fall as rapidly as it has, and as we have said clearly, natural gas constitutes at least 50 percent of our total revenue.

I think the member is quite fair in suggesting to us that we should now focus on a two-price system: one for oil and one for natural gas. I'll take that under advisement.

MR. SPEAKER: Lesser Slave Lake, followed by Edmonton-Avonmore.

Health Services for Native People

MS CALAHASEN: Thank you, Mr. Speaker. It's been almost a month since the Peerless Lake, Trout Lake, and Chipewyan Lake communities experienced a horrible setback; that is, the federal government's move to stop paying for doctors flying into the community. They don't need any more setbacks. This decision was made arbitrarily putting people's lives in peril. Many people are affected by this ridiculous move. Would the Minister of Health review for the House and my constituents any updates in her discussions with the federal government?

MS BETKOWSKI: Mr. Speaker, as I've said before, I am very concerned about the way that the federal government has treated not only the residents of Peerless Lake, Trout Lake, and Chipewyan Lake but indeed the way they have treated their fellow governments. I would have expected, particularly given the Minister of National Health and Welfare's record of collaboration with health ministers across Canada, a little better treatment from this minister.

Nonetheless, my department, upon hearing of the unilateral withdrawal of medical service flights, contacted federal Health and Welfare officials in Alberta and asked them if they could continue with the funding of the flights until we had worked out an interim solution. They refused to do that. I have written to the federal minister and have expressed my deepest concern about the conduct of the federal government's officials and the unacceptability of any further unilateral withdrawal of services in northern Alberta.

I know the matter is being classified as a dispute between governments, yet governments fund billions of dollars worth of health services in this country, and the delivery of health services in Canada is based on a partnership. In a partnership I don't believe it's right that one partner unilaterally withdraw their services at their whim when it is affecting access to health services, which is a basic tenet of the Canada Health Act.

MR. SPEAKER: Supplementary.

MS CALAHASEN: Thank you, Mr. Speaker. I was in those communities on Saturday. The people are frightened, and the leader is angry. My people need help immediately, not only short-term plans but long-term resolutions to the health issue. Has the minister come to any conclusions for a resolution on an interim basis to take care of the people in my constituency from these communities who need help?

MS BETKOWSKI: Mr. Speaker, I share the concern of the hon. Member for Lesser Slave Lake, even if some members of the federal government do not. I don't believe that the people of these communities should have to suffer while there's a dispute between the two levels of jurisdiction in funding. Therefore I have instructed my department to appropriately cost share flights on an interim basis until an alternative arrangement can be worked out.

MR. SPEAKER: Edmonton-Avonmore, followed by Calgary-McKnight.

Midwifery

MS M. LAING: Thank you, Mr. Speaker. My question is to the Minister of Health. The Chair of the Council on Professions and Occupations says that legalizing midwives in Alberta is going to be costly. But there will be numerous savings. For example, if midwives were involved in only 10 percent of normal deliveries in Alberta each year, the cost savings would be at least \$4 million

due to fewer and less intrusive interventions, less need for high-cost technology, and fewer or shorter hospital stays. Given that the costs of integrating midwives into the health care system would be recovered within the first year of implementation and that the minister's own department has recommended that midwifery be designated and regulated, will the minister now commit to working with the Chair of the council to immediately enact legislation and supporting structures to integrate midwives into the health care system?

MS BETKOWSKI: Mr. Speaker, I work with the Chair of the council and with many other colleagues around the Legislature and our cabinet and our caucus table, including the Solicitor General, who is responsible for professions and occupations legislation in the province.

With respect to the cost issue which the hon. member has raised, I agree with her that on a procedure-by-procedure basis the cost of midwives performing services is probably less expensive than a physician performing those services, but the manner in which that funding would occur is one that I think needs careful review, as the committee itself recognized, because we can't, I think, create a system where we are duplicating the funding of services in the Health Care Insurance Fund and some other mechanism.

Nonetheless, I am committed and share the hon. member's interest in the issue. In terms of a position, it's clear from the report, the member will know, that Alberta Health and its minister supported in the report the professional designation, recognizing that implementation would take some time.

MR. SPEAKER: Supplementary.

MS M. LAING: Thank you, Mr. Speaker. My second question is to the minister responsible for women. Since 1988 the government has received input from hundreds of individuals and organizations on this issue and has issued three major reports all recommending designation. Meanwhile, hundreds of women every year call the Association of Midwives asking for midwifery services in their communities. Will the minister now advocate on behalf of Alberta women and families for legislative designation and tell the Solicitor General that more studies are unnecessary and can only serve to hurt Alberta women and postpone health care cost savings?

MS McCOY: Mr. Speaker, yes: no equivocation, absolutely, 100 percent agreed.

I do believe there's been a little bit of a misunderstanding. In my discussions with the Chair of the Professions and Occupations Bureau and the ministers involved, there has never been any intention to hang this report on the wall. There was and has been an honouring of a collaborative process with all the stakeholders involved as they design what the future midwifery process will be in this province. As the member herself said yesterday, implementation, education, and regulations committees are needed, but it was thought best that we let the report be released as soon as possible and then move in very shortly thereafter with the designation, knowing fully well that the committees in a collaborative process, as has been started, will continue and will take some time.

MR. SPEAKER: Calgary-McKnight.

Education Funding

MRS. GAGNON: Thank you, Mr. Speaker. At a public meeting held in St. Albert this past winter, the Minister of Education made certain statements promising a solution by the end of February to

the inequity in the funding of education in this province. Three weeks ago the minister met with several groups of stakeholders to discuss the possible implementation of an interim plan, something he should have done two years ago. To the Minister of Education: when will the minister make the decision needed to give hope to have-not school boards in this province?

3:00

MR. DINNING: Well, Mr. Speaker, a long-term solution has still not been attained because there is insufficient agreement among school boards as to the elements of a long-term solution. In the meantime, there is some \$70 million of taxpayers' general revenue funding that is going to assist those school boards who lack access to an adequate tax base locally to pay for their share of the cost of education.

MRS. GAGNON: Mr. Speaker, I believe that's wonderful news, and I wish the minister had made the news public sooner. However, I would now like to ask him how this decision will be arrived at? Exactly what will be the parameters and the details of this implementation plan?

MR. DINNING: Well, Mr. Speaker, I'm glad the hon. member has finally recognized that this government has for the last number of years been providing fiscal equity grants, this year in the order of \$69 million, \$70 million, to assist those school boards who haven't got the tax base to pay for their local cost of education.

I'll tell you, Mr. Speaker, that it's people like the hon. member across the way who have stood as obstacles in the way of achieving a long-term solution. All we hear from hon. members on the other side is that our solution isn't good enough, that it somehow stumbles on the toes of local autonomy. Well, this government does believe in local autonomy, but it also believes in making sure that all students across this province have fair access to an education that meets their needs. We're striving to find that solution, and it would be great if we could hear solutions rather than just definitions of problems from the other side of the House.

MR. SPEAKER: Little Bow, followed by Edmonton-Jasper Place. [interjections] Order please. Let's stop the backchat.

Grain Handlers' Work Stoppage

MR. McFARLAND: Mr. Speaker, my question is to the Minister of Agriculture. From the time a grain producer unloads his grain at the elevator there are approximately 17 different unions that affect the movement of his grain. We've heard a great deal in the last few days particularly about the grain handlers' strike at the west coast. Nineteen people from one of these 17 unions are costing producers \$1.3 million every day. Would the minister please indicate to this Assembly what avenues are available to the producers and to the province to settle this strike immediately?

MR. ISLEY: Mr. Speaker, I think the hon. member has identified again the concern that farmers are feeling out there with the work stoppage at the Alberta Wheat Pool terminal in Vancouver. What producers can do and what this government can do is simply make recommendations and lobby other groups to take certain actions. We've discussed in the House before the option of redirecting some of the grain through the port of Seattle, which is certainly an action the Alberta Wheat Pool and the Canadian Wheat Board could take to get around this situation. One of our members suggested the other day that farmers maybe go out and replace those workers. Although I don't advocate that, that is certainly

one suggestion that has been thrown out. Longer term solutions we've also discussed. I'll be interested if there are any further recommendations.

MR. McFARLAND: Mr. Speaker, will the Minister of Agriculture show the producers in Alberta and the western provinces that we cannot have our reputation as a reliable supplier of quality merchandise jeopardized by the actions of these individuals at the west coast by pushing his federal counterpart in Agriculture Canada to have these grain handlers designated an essential service?

MR. ISLEY: Mr. Speaker, we have done that in past situations, and I'm prepared to make that as a formal representation in connection with this situation.

MR. SPEAKER: Edmonton-Jasper Place.

MR. TAYLOR: Hell will freeze over.

MR. SPEAKER: Order please, hon. member. You're not Edmonton-Jasper Place.

MR. McINNIS: Thank goodness for that.

Grande Alberta Paper Ltd.

MR. McINNIS: Mr. Speaker, the Grande Alberta project includes a sawmill in Manning which would process softwood timber in what used to be Procter & Gamble's northern forest management agreement. It also includes a fine paper mill and a pulp mill which would process hardwood from the southern Procter & Gamble area and possibly other areas in the district. I'd like to ask the Minister of Forestry, Lands and Wildlife about his statement yesterday that he's prepared to consider the timber supply on the northern area for the sawmill but not at this time for the pulp mill and the paper mill in the southern area, this from the minister who's been handing out FMAs like valentines for the last three years. Are you saying that you're prepared to jeopardize this project by not being able to make a decision in respect of that southern hardwood allocation?

MR. FJORDBOTTEN: Mr. Speaker, that's a good question. I'm pleased to have the opportunity to clear up any confusion. First of all, a commitment was made by Procter & Gamble to build a sawmill at Manning, and they didn't fulfill that commitment. So in meetings with the town of Manning we called for proposals for a sawmill. The deadline for receiving proposals was March 31 of '92. At that time, we received four proposals, one of which was Grande Alberta Paper Ltd. Grande Alberta Paper also announced yesterday that it was their intention to proceed through a process on a much larger project, and they've started a phased process. I have made it very clear to Grande Alberta Paper that we view the Manning sawmill as a stand-alone facility and that we do intend to make a decision with respect to that sawmill likely in the May, June period, and in that case it would be quotas.

MR. McINNIS: Well, Mr. Speaker, where I come from we have a little trouble understanding how you can go from being prepared to give away a third of the province in support of big companies that pollute and throw billions of dollars at them and then when somebody comes along with a project that looks a little more sensible on the surface, they're not able to make a decision. I know the Member for Lesser Slave Lake had trouble getting a

decision out of this government in respect of the Polyboard project. I wonder if the minister could explain whether he's kind of lost in terms of when he's going to make a decision on the project as a whole or just what's going on here.

MR. FJORBOTTEN: No, Mr. Speaker. The large project, the Grande Alberta Paper project, is one that will take a much longer process to go through. It is one that needs to be reviewed by departments of the government to make sure that the confidence level is there, that economically and environmentally it has a soundness to proceed. Also, on a project of that magnitude it will of course be subject to an environmental impact assessment, I'm sure, and then on to the NRCB. So it would take much longer on that part of a project.

We want to make absolutely sure that any development that takes place in Alberta is done not only because we like to see economic development, but we want to make sure the environment and all the other resources in that region are protected. For a project of that magnitude, the wildlife and everything else needs to be taken into account as well. So with respect to the larger project, that one is going to take a longer time, and the company accepts that, understood the process before they announced their intentions, and have said that they have no difficulty following that.

MR. SPEAKER: Edmonton-Kingsway, then Edmonton-Gold Bar.

Provincial Budget (continued)

MR. McEACHERN: Thank you, Mr. Speaker. Federal statistics announced yesterday show that the bankruptcies declared in Alberta in the last month are up 33 percent from March of 1991. The more than 700 consumers and businesses forced into bankruptcy in March is the most ever in the history of this province. To the Provincial Treasurer: given that the 1991 provincial budget contained no economic stimulative measures and, in fact, drastically cut job training, how can the Treasurer deny that his phony balanced budget was shortsighted, irresponsible, and in fact contributed to the decline in the Alberta economy?

3:10

MR. JOHNSTON: Mr. Speaker, as usual I'm trying to sort out the member's confused position. It always is confusing, and moreover it's misleading. What we've had here in Alberta over the course of the past year has been one of the strongest economies in Canada. I know it's difficult for the member across the way to believe that, because the reason it's happened is that the private sector, with their decision to invest in Alberta and to establish new assets here and to generate new jobs here, has allowed us to perform very well over the past year. Now, that doesn't hold with the view of the member across the way who believes that everything should be done by government, whose major thesis is to take the government's money and spend, spend, spend and to balance that position, tax, tax, tax. That just is not the position of this government. No matter what they say across the way, we will not be lured into that trap, one of taxing capital, one of bringing on a sales tax as the two parties advocate. We'll have none of that nonsense, none of that at all.

MR. McEACHERN: Well, Mr. Speaker, the private sector's done all right; it's just government that's the problem. Albertans can't afford them anymore.

Why is it that, as the Premier admitted yesterday, even though this government woke up to the devastating economic situation late last year, no measures were taken to help Albertans and reverse the trend to layoffs and bankruptcies?

MR. JOHNSTON: Mr. Speaker, if the member wants to talk about other economic performance but does want to talk about the question of the private sector's bankruptcies, we can say that in fact for the first part of 1992 the bankruptcies are difficult, that the financial situations in this province are far less than they were in '91. That's a measure of the success of the private sector in this province. Despite what the member says, the private sector, the business side of our economy is doing very well here in Alberta. The reason that's happening is that we have provided an opportunity, an economic environment for them to bring their investment dollars here, their creative opportunities here, and we have not taxed them away. We've allowed the private sector an opportunity to expand, to grow and be welcome. As a consequence of that, as I have said in the House before, several measures which confirm the diversification of our economy are clear not just to Albertans but to all Canadians. For example, Albertans have the highest disposable income, as confirmed by the retail sales per capita. We have a strong private sector here, as confirmed by the amount of per capita investment, the highest in Canada, and we have an aggressive economy . . .

MR. SPEAKER: Thank you. [interjection] Thank you, Provincial Treasurer.
Edmonton-Gold Bar, then Dunvegan.

Disabled Children's Program

MRS. HEWES: Thank you, Mr. Speaker. Families of children with disabilities held a public meeting in Calgary to discuss cuts in education and handicapped children's services. Now, my questions are to the Minister of Family and Social Services. We know that the report on the review of handicapped children's services is to be concluded in May. Will the minister undertake to make that report public as well as all the raw data and comments that went into it?

MR. OLDRING: Mr. Speaker, we are just completing an exhaustive consultative process. I'm looking forward to receiving the results of that. Once I've had a chance to have a look at it, I'll determine what we'll be doing with the report at that point.

MRS. HEWES: Mr. Speaker, it's very important to these parents that they see the information that goes into the recommendations. I'd like to ask the minister: is his real intention simply to narrow the mandate of handicapped children's services?

MR. OLDRING: No, Mr. Speaker, not at all. As I've said before in this Legislative Assembly, we have an exceptional program providing services to handicapped children and to families of handicapped children. I really appreciate some of the positive response that I've received in my office as it relates to that particular program. As is so often the case with this government, although we're doing good things and we're leading the nation in many, many ways, we recognize that we still want to be able to continue to build on those good things.

As I've said, we're going through a process of talking with parents, of talking with advocacy groups, of talking with service providers: police, municipal councillors, school board representatives. Hundreds of Albertans have responded to the opportunity

that we've made available to discuss a very valuable program here in Alberta. I'm looking forward to the results. I'm looking forward to being able to build on those results. I think the member's suggestion for releasing that report is a good one, and I'll give it very serious consideration.

MR. SPEAKER: Dunvegan, followed by Edmonton-Strathcona.

Farm Income

MR. CLEGG: Thank you, Mr. Speaker. In 1991 the federal and the provincial governments brought in a GRIP program after significant discussion with producer groups throughout Alberta. This plan brought considerable stability to the agriculture industry. I personally know that for the first year in 40 years of farming, I knew what my income was going to be from the marketplace or from crop insurance or the GRIP program. Does the associate minister plan on making significant changes to this GRIP program?

MRS. McCLELLAN: Mr. Speaker, the member certainly brings up an important issue to producers, particularly timely, I think, with the decisions they're making at seeding time. He's absolutely correct about this government's commitment to a safety net program; that is, a tripartite program that protects producers on the revenue side of their cropping plans. Indeed, it is probably the first time that producers can go into the spring of the year with seeding and have some assurance of revenue stability for that year.

There has been some concern registered. I know that other rural members have heard this about changes to the revenue insurance program. Mr. Speaker, the Premier initiated a meeting with some 50 farm leaders and members last fall, and we had an intensive discussion of this program and many others. The support for the revenue insurance program was clear at that time, and I would say that today Alberta does not plan any significant change to the revenue insurance program this year. It will be offered very much on the same basis as last year, our interim year. Members will recall that I did mention last week a modification that we made in the indexed moving average price that will give producers a better support price for their grains this year. That is the only change.

MR. SPEAKER: Supplementary, Dunvegan.

MR. CLEGG: Well, thank you, Mr. Speaker. My supplementary question. It's my understanding that the Saskatchewan government has made major changes to the GRIP program. It's my understanding that they claim - I don't know whether it's right or not - that it will make it more market neutral. Have you had many requests from Alberta producers for the same changes that were made in Saskatchewan?

MRS. McCLELLAN: Well, Mr. Speaker, the member is indeed correct. Saskatchewan has introduced a significantly different program this year, and I suspect that that may be causing some confusion in Alberta producers' minds as they read of these changes. There have been some significant discussions in the province among farmers, some perhaps agreeing but, I understand, many not.

The question of market neutrality and production neutrality is a good debate, and we've had that in this House. But let's be clear that there will always be some trade-off on this issue and some need for balance. Our government's commitment to the agricultural industry in this program was to offer them some financial security on the price side of their program.

Speaker's Ruling

Brevity in Oral Question Period

MR. SPEAKER: Thank you, hon. minister. I'm sorry. We're getting into this problem of longer and longer answers, and they're being uttered slowly. It also applies to some of the questions, I acknowledge.

Edmonton-Strathcona, please.

Bench Insurance Agencies Ltd.

MR. CHIVERS: Thank you, Mr. Speaker. My questions are for the Minister of Consumer and Corporate Affairs. Section 17 of the Insurance Act requires that a representative of the superintendent of insurance at least once every year audit the head office of every insurance agency in the province in order to make inquiries necessary to ascertain whether or not all of the provisions of the Insurance Act had been complied with. The results are then reported to the minister. My questions to the minister are: would he advise the House as to the date of the last report to him with respect to Bench Insurance Agencies and whether or not the report noted the problems that have since arisen?

3:20

MR. ANDERSON: Mr. Speaker, with respect to Bench Insurance, the last report would be the one which indicated that Bench Insurance was inappropriately selling insurance policies and recommended the freezing of assets and the withdrawal of the licence from that particular agency. That took place but a few weeks ago.

MR. CHIVERS: Mr. Speaker, it's interesting that the previous reports don't seem to have said anything about it.

In any event, it's a common complaint from the other side of the House that there are never any constructive solutions provided by this side of the House. It seems to me that it would be relatively simple and inexpensive for amendments to be made to the insurance legislation to prevent the type of fraud that was perpetrated here by a registration system to match the policies, the registered insurer, underwriter, and agent relationships. Will the minister tell the Assembly if he is prepared to introduce this kind of registration system into the legislation at this sitting?

MR. ANDERSON: Mr. Speaker, actually to be fair, I've heard a couple of good ideas on this particular issue from the opposition, ideas that should be considered when we've completed an evaluation of this particular instance. As I'm sure the member can appreciate, we're now in the midst of the investigation with the RCMP. As soon as we have completed that, we'll be in a position to evaluate further our relatively new insurance council system and see if those kinds of suggestions are worthy of further consideration.

Speaker's Ruling

Brevity in Oral Question Period

MR. SPEAKER: The time for question period has expired, and I'm certain that all hon. members are aware that we didn't get through as many questions as we have been doing. Part of that has to do with the heckling that's starting to develop again, and I'm sure that will stop as of tomorrow.

The Chair has taken the liberty of speaking directly to one or two members. Some members really have to shorten their questions or speed up the way they're saying them. The same thing applies to a couple of the ministers as well. Please and thank you.

MR. WICKMAN: Johnston burned up 27 minutes.

MR. SPEAKER: Thank you very much, hon. member. You're to be quiet while the Chair is speaking. Please remember that.

MR. TAYLOR: That goes for you too, Dick.

MR. SPEAKER: That includes you as well, Westlock-Sturgeon.

**Point of Order
Factual Accuracy**

MR. SPEAKER: Now, because of some comments made in an earlier question period, I've had a request from the Member for Edmonton-Kingsway to make a statement to the House, if he would do so please.

MR. McEACHERN: Thank you, Mr. Speaker. One slight correction: it wasn't in a question period. It was comments made during debate I think on the Speech from the Throne or the interim supply Bills.

On two occasions, in fact on March 26 and 30, 1992, I spoke in this Legislature about how Daishowa Canada Co. Ltd. had been charged by Revenue Canada as having sold their pulp cheaply to their parent company in Japan so they could avoid paying taxes here in Canada. That was a mistake. There is another company in a dispute with Revenue Canada about taxation policy, and I thought it was Daishowa Canada. I regret the error I made, and I apologize to Daishowa Canada for any embarrassment my mistake might have caused them. I will be writing to them to apologize and sending them a *Hansard* copy of these comments.*

MR. SPEAKER: Before we proceed to a Standing Order 40 request, I understand that the Member for Edmonton-Avonmore, on behalf of the Member for Edmonton-Beverly, has an introduction which may or may not apply. Edmonton-Avonmore.

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

MS M. LAING: Thank you, Mr. Speaker. On behalf of the Member for Edmonton-Beverly I would like to introduce to you and through you to members of this Assembly 25 visitors from the East Edmonton Christian school. They are accompanied by Mr. Alan Drexhage, Mrs. Van Essen, Mrs. Boonstra, and Mrs. Tabak. If they are in the public gallery, I would ask that they stand and receive the welcome of this Assembly.

MR. SPEAKER: Thank you.

head: **Motions under Standing Order 40**

MR. SPEAKER: Edmonton-Gold Bar, with respect to Standing Order 40. Urgency.

Health Services for Native People

Mrs. Hewes:

Be it resolved that this Legislative Assembly urge the government to provide interim health care measures to ensure residents of Peerless Lake and Trout Lake have access to an adequate level of health care service until such time as the matter is resolved between the province and the federal government.

MRS. HEWES: Thank you. Mr. Speaker, I rise under Standing Order 40 to propose the motion that has been circulated, I believe, and to ask for unanimous consent to deal with this motion. I recognize that this problem has generated a number of questions and answers already in this Assembly, but while some of the questions have been answered or commented on, the situation of real risk remains in my view. We're talking about long-range plans as well as short-range plans.

Mr. Speaker, I appreciate the minister's dilemma in this regard. It's difficult to say whether it may in fact stall negotiations if we put an interim plan in place, or the federal government, who have caused this problem, may believe that they don't have to deal with it because something is there. I still say that Albertans want some kind of interim solution as we try to rearrange the situation with the federal government.

Mr. Speaker, I don't presume to suggest to the minister what can happen here. She has indicated today that they're going to cost share flights of doctors in, but it seems to me that a nursing team on the site might be able to be a great deal more help to the citizens of those communities, to provide immediate diagnosis and offer ideas to the doctors on the outside who could send the prescriptions in.

AN HON. MEMBER: This is to urgency.

MRS. HEWES: It is urgent, Mr. Minister, I assure you. The citizens in those towns and communities are under a great deal of strain, under a great risk. I don't believe that simply flying in a doctor once or twice a week is the answer to this very serious question. I think we need a contingency plan. I think we need professionals on site in order to develop a plan on site as opposed to developing one here in Edmonton.

My motion, Mr. Speaker, simply asks for interim action to relieve this current stressful situation and the very risky circumstances that persist in these communities unless we here in this House agree to do something about it.

MR. SPEAKER: Just a reminder to all members as well as for the benefit of people who happen to be watching on television: under Standing Order 40 it's not the matter of the motion that is before the House, it's the matter of urgency.

All those members willing to give unanimous consent for the matter to proceed, please say aye.

SOME HON. MEMBERS: Aye.

MR. SPEAKER: Opposed, please say no.

SOME HON. MEMBERS: No.

MR. SPEAKER: The matter of urgency fails.

head: **Orders of the Day**

head: **Government Bills and Orders**
head: **Second Reading**

Bill 2

Historical Resources Amendment Act, 1992

MR. TANNAS: Mr. Speaker, I'm pleased to move second reading of Bill 2, the Historical Resources Amendment Act, 1992.

*see page 135, right col., para. 2, lines 7 to 14, and page 175, right col., para. 2, lines 7 to 15

These amendments will facilitate the merger of two boards: the Alberta Historical Resources Foundation and the Alberta Historic Sites Board. The Alberta Historical Resources Foundation will be increased from 11 to 13 directors, and the Historic Sites Board will be discontinued.

Mr. Speaker, I'd like to summarize a few points at second reading. First of all, the changes being asked for in this Bill will save taxpayers of this province a modest amount of money. What is being asked for, then, is the repealing of the sections of the Historic Resources Act which pertain to the Historic Sites Board of Alberta. By repealing these sections, the board would be dissolved, which will mean a saving of perhaps \$25,000 a year.

While the board is to be dissolved, its important function will continue. These functions, with the proposed changes to the Acts, will be transferred to the Alberta Historical Resources Foundation. The Historic Sites Board has been responsible for providing advice to the government on matters concerning the preservation and protection of our historic sites and the official naming of geographic features in Alberta. Under the proposed changes the foundation then will see its board increased in order to help handle these extra responsibilities. Nevertheless, in spite of this increase in number of directors to the board the government will still realize a saving.

3:30

The operating structure of government in dealing with historic preservation will become more streamlined yet will still maintain its high standards, which have become known throughout the historic resources and museum communities as being high. These amendments will not diminish the government's responsibility in the area of historic preservation and protecting our heritage. They are simply administrative in nature, and this establishes one ministerial body as the focus for providing advice to the minister on matters dealing with the history of our province.

Mr. Speaker, I support these amendments as our government continues its drive to minimize its expenditures and to explore every possible means to streamline its operations. As prudent managers it is our responsibility, especially during these times of current economic difficulties, to find ways of saving taxpayers' money. Therefore, I support second reading of this Bill.

MS BARRETT: Well, Mr. Speaker, I should hope that as mover he supports second reading of the Bill.

There's not too much to say about this Bill. First of all, I guess one needs to thank the people who served on the Historic Sites Board for years of good work. They were instrumental and responsive to requests to have historic sites designated, which of course puts those sites under certain rules and regulations which meet with the community desires to preserve those sites for long-term enjoyment by future generations.

With respect to geographical names, I know that some members, anyway, and supporters of the board that will now be discontinued have objected to political interference in the geographical naming of locations, including mountains and so forth. I ask the sponsoring member to keep this in mind with respect to the new responsibilities going to the foundation. They didn't like political heavyweights suggesting to them that one big Conservative after another be considered for a name of a place that did not have a name or for a change of a name. In fact, some of them were so angry that about five or six years ago I actually introduced a private member's Bill telling the government to get your hands off of this stuff. If you want your boards, commissions, agencies, and foundations, let them do their jobs at arm's length. This government could still learn a few lessons about that, Mr. Speaker.

[Mr. Jonson in the Chair]

Now, with respect to saving money, I couldn't agree more. I think it's so obvious that the foundation can undertake the work that the board has been doing. I must say that I do object to adding numbers. I mean, let's face it: a lot of these boards, commissions, agencies, and foundations are the home of patronage appointments in many instances. Now, that is not to say that some of the appointments do not include individuals who have expertise in the area. In many instances it is the case, but in all too many instances, Mr. Speaker, you get appointed to one of these boards, foundations, or agencies because of your political connections. I think it's time the government moved to develop an independent, neutral, arm's-length agency to vet applications for membership on boards, tribunals, commissions, agencies, and foundations. Easy as pie. If the Ontario New Democrats could do it within a few weeks of taking over government, this government after 21 tired years in office surely should figure out how to do it.

MR. ADAIR: It's easy.

MS BARRETT: Yeah, it's easy. It's easy. I tell the Minister of Transportation and Utilities that if he wants to know how easy it is, I'll get him the Ontario New Democrat government releases.

MR. ADAIR: I'm not tired.

MS BARRETT: No, you might not be tired. But I suggest to you, Mr. Speaker, that the member is a participant in a government which has become very tired. Even though it declares recently to have discovered a new part of its anatomy, I also submit to you that it may have discovered its existence but it has not discovered its function, and I am referring to ears.

In closing, Mr. Speaker, even though I object to the patronage element that has continued under this Bill, as with every other board, commission, agency, foundation, and tribunal in the province, I object to that and ask the government to change the procedure by which it allows members to join these various agencies. I stand in support of second reading of this Bill knowing that it's time that this government started trimming excess organizations.

By God, just one other thought on that subject. Jeepers, it's time they started it by thinking about trimming at the top, by cutting cabinet. What a fine example this member sponsoring Bill 2 is giving to the cabinet. I hope they will follow suit.

Thank you, Mr. Speaker.

MR. ACTING DEPUTY SPEAKER: The Member for Edmonton-Whitemud.

MR. WICKMAN: Thank you, Mr. Speaker. I wish to make a few comments regarding Bill 2 that's in front of us. From a conceptual point of view or in principle we do support the Bill. It is basically deemed to be a housekeeping Bill. However, I think a number of points have to be made at this particular time. I'm not sure that we as MLAs or the government in particular really recognize the importance of boards that are structured and made up of representatives of the community, the input provided to them, and the very, very valuable role that they can play. It's an extremely important role. There is on-tap expertise that can add a great, great deal to many, many aspects of government. Unfortunately, at times we do tend to see a tampering within that process that takes away some of the independence of those particular boards and doesn't allow them to always function the

way they would prefer to function. In other words, the relationship is just a bit too tight.

This particular area falling under Culture and Multiculturalism is one that does concern me in particular in that I'm not always comfortable that there is a total hands-off approach to these various boards and foundations and such that are set up. Mr. Speaker, I've raised in this House on previous occasions dealing with other ministries as well, particularly the minister responsible for lotteries, the various foundations or boards that may fall under that particular area and the lack of freedom that these particular individuals have and the tight reins, the strings that are attached. It really does undermine the whole concept of tapping expertise in the community and utilizing it to the best degree. It's a politicizing of grass roots of expertise that is there, and it does occur.

The member for the constituency that the riverboat is going to run through, Edmonton-Highlands, has raised the point about the selection process. It is a very, very important point that has been raised. I've seen situations in the past, particularly with the city of Edmonton, where under the guidance of the Member for Edmonton-Glengarry a process was put into place where a selection committee was established that actually interviewed prospective appointees to various boards to try and take the politics out of these appointments and base the appointments strictly on the ability that those individuals would have when it came to contributing to that particular board. There is no mechanism, of course, to engrave that within legislation or within Bills; it's simply at the guidance of the individual ministers that are responsible for recommending and establishing boards and foundations and appointing people to those boards and foundations.

I would hope that those comments that have been made have been listened to by at least one or two members over there, but I'm not even sure of that judging by the reaction that I do tend to get. At times, Mr. Speaker, one kind of sits in this House and wonders exactly whom you are speaking to. You see private conversations here and there and everywhere.

In any case, in a nutshell, to wrap up, the Bill, from a point of view of principle, yes, can be supported. Administratively it's a good change. When the Bill goes into committee, there is a possibility that upon further review we may suggest some minor amendments to the Bill, but for second reading we're comfortable that at this particular stage it should be passed.

3:40

MR. ACTING DEPUTY SPEAKER: The hon. Minister of Culture and Multiculturalism.

MR. MAIN: Thank you, Mr. Speaker. I would just like to make a couple of remarks. First of all, my thanks to the Member for Highwood for carrying this piece of legislation forward and for doing the extensive research that's involved in this type of work. Also, a word of thanks to those individuals who served on the Historic Sites Board who will be moving on to other pursuits.

I was not going to get involved in the debate in any extensive way, but I feel that I have to address a couple of the things raised by the Member for Edmonton-Highlands and by the Member for Edmonton-Whitemud with respect to the accusations made regarding patronage and the process by which these individuals are selected to these boards and also some questions about the independence of boards and agencies as they come under the responsibility of various ministers.

First of all, I believe the Member for Edmonton-Highlands is advocating the hiring of more people and the creation of a new bureaucracy to do this job of appointing people or vetting people or clearing people to sit on these various boards and agencies. Mr.

Speaker, this seems to me to be a tremendous waste of money when we're in fact trying to get the size of bureaucracy down and have less government. The member is advocating more government, to make the process even more complex.

I know that the city of Edmonton, as was raised by the Member for Edmonton-Whitemud, does this sort of thing. I can relate an experience of a friend of mine who offered his name as a volunteer for a board in the city of Edmonton. He was interested in the work that this board was doing and offered himself as a volunteer. His qualifications were extensive. He was a fine member of the city's community, involved in Boy Scouts and a variety of other organizations. Mr. Speaker, this individual was yanked around from pillar to post, going to interview after interview after interview, letter after letter after letter, meeting after meeting after meeting, to see if he was qualified to volunteer when anybody who had known him for more than a few weeks would have known that he in fact was. I had known him personally for more than 15 years and recommended him to the city agency. Nevertheless, it took literally weeks and many, many hours out of his time to say, "Yes, it's okay for you to volunteer for us."

Mr. Speaker, we have individuals who come to members of government, to ministers, to MLAs saying, "I'd like to serve on that, and here is the reason why." These individuals in some cases are known to individual members and, granted, in some cases do have some political affiliation, but by no stretch of the imagination should one ever assume that each and every one has to be holding a Progressive Conservative card to get an appointment. In fact, most people are appointed because they know something about what we're asking them to do. That's the main reason why we're there. We're looking for good people, and the members of this government know many good people all across this province. That is why those people are there. The notion of patronage being raised every time there's a piece of legislation or a hint or a suggestion of a board or agency involved is just wrong.

Mr. Speaker, with regard to the independence question – and I will speak directly to the issues and the boards and agencies I have under my responsibilities – it has been my concerted aim to give these boards the independence that they so richly deserve and let them do the job that I'm asking them to do. With regard to the Alberta Foundation for the Arts and the amalgamation we went through in this Legislature last year, I asked the board to set policy, to hire juries to do the granting of the arts grants, to get those decisions out of the political realm and into the hands of the citizens that we've asked to do this work. That is my aim with the Historical Resources Foundation. I've asked the board to do this work. I don't interfere. I don't phone them up and tell them, "Designate that, give money to that, fix this, or do the other thing." I don't do that. I take issues to them that I believe need to be dealt with, and I respect and ask for their recommendations, and those recommendations are implemented.

I'm asking them now, through this piece of legislation, to take on more responsibility from the historic sites side of the equation. This small piece of legislation requesting the elimination of the Historic Sites Board and the amalgamation of some of its people and its responsibilities into the Historical Resources Foundation accomplishes that. It makes it more efficient, it makes it more smooth, and most of all, Mr. Speaker, it makes it cheaper.

I would support the Member for Highwood in his motion for second reading.

MR. ACTING DEPUTY SPEAKER: Ready for the question?

HON. MEMBERS: Question.

[Motion carried; Bill 2 read a second time]

Bill 16
Public Trustee Amendment Act, 1992

MR. ACTING DEPUTY SPEAKER: The hon. Member for Drumheller.

MR. SCHUMACHER: Thank you, Mr. Speaker. I am pleased to have been asked by the Attorney General to sponsor this Bill, which I look upon as a useful and practical initiative such as Bill 10, the Powers of Attorney Act, of the last session.

I see my learned friend the hon. Member for Edmonton-Strathcona demonstrating a quibble.

This Bill has four purposes. The first is to allow the Public Trustee to pay out small sums of money – that is, less than \$2,000 – that that office is holding on behalf of minor children to a person responsible for such children to be used on their behalf. This is where I look upon it as a practical situation both to the taxpayers of the province, who to some extent fund the operations of the Public Trustee's office, but also to minor children who will probably have a more effective use of the money that is being designated for their benefit. If these small sums of money of less than \$2,000 can be paid out for their benefit, that will allow the Public Trustee to close a number of files and, as I said, will allow that money then to be used by the person most directly responsible for their welfare for their benefit.

The second area that this Bill deals with is to allow the Public Trustee in cases of deceased, mentally incapacitated persons to deal with small estates without reference to court where no one else desires to apply for a grant of probate of a will or for letters of administration. It will allow the size of the estate to be set by regulation, and I believe the proposed regulation will restrict the application of this section to estates under \$7,000. Of course, the reason why the regulation is being suggested is that that amount can be kept current without bothering this Assembly with an amendment to the Bill to allow for future inflation.

Thirdly, the next purpose of this Bill is to remove the monetary amount limiting the Public Trustee's right to administer an estate of an intestate person by election. At present the Public Trustee is prevented from proceeding by way of election in estates that have a value of more than \$4,000. This Bill would allow the monetary limit to be fixed by regulation passed by the Lieutenant Governor in Council and thereby allow the limit to be kept current, as I've mentioned before under the second area just discussed, without resort to amending this legislation.

The final area that this Bill deals with is the setting of the interest rate paid on funds held in trust by the Public Trustee. At present this is done by order in council, and that method has proven somewhat cumbersome in these days of volatile interest rates. This Bill proposes that the Public Trustee, working with the existing committee, which has representation from the departments of the Treasury and the Attorney General, set the rate of interest to be paid. This amendment will not change the way in which the rate is arrived at but will make it possible to make the rate effective in a more timely manner.

I believe, Mr. Speaker, that sets out the general purposes of this legislation, and I would therefore move second reading of Bill 16.

MR. ACTING DEPUTY SPEAKER: The Member for Edmonton-Strathcona.

3:50

MR. CHIVERS: Thank you, Mr. Speaker. My friend misunderstood my nod here. It was not a quibble with him or with his Bill;

it was a quibble with my colleague, who was about to raise an issue.

However, let me say that once I was able to go through the legislation and make some sense of it – and I must say it took me some time to do that, because notwithstanding this government's avowed commitment to plain language, this legislation is not expressed in plain language, and indeed that's regrettable. I sometimes wonder if the object of the government's draughtsmanship on occasion is simply to unduly confuse the legislation. For example, in the preparation of this Bill what was previously (a) became (b), and what was previously (b) became (a), and that unnecessarily complicates the legislation. It seems to me that it might behoove the member and the Attorney General's department to make sure that that kind of unnecessary confusion is not a characteristic of the legislation that's presented to the House.

In any event, Mr. Speaker, this legislation does indeed deal with a very important matter. It's in a sense a housekeeping matter, but they are very important amendments and amendments that should be, in my opinion, supported by this Assembly.

Of course, the Public Trustee's office plays a very important role in dealing with estates and intestate succession in terms of protecting the interests of minors and beneficiaries under the legislation, and it seems to me that these are very worthwhile amendments and ones that we should support. I do think that it's very important that the Public Trustee's office have an increased discretion with respect to the expenditure and the advances that can be made from income or income and capital with respect to being devoted for the purposes of the maintenance or education of minors. These amendments are designed to achieve that greater flexibility on the part of the Public Trustee's office, and I support those amendments.

I do have one question, however. It seems to me that by inserting the portion of the Bill which deals with estates not exceeding \$2,000 in value, perhaps it's there for clarity in the legislation, to make it clear and unequivocal that those estates can be dealt with in the sole discretion of the Public Trustee and that there isn't any issue with respect to encroachment on income or capital, and that the Public Trustee has the sole discretion, so to speak, with respect to payouts of those smaller estates. If that is indeed the purpose of the provision, then I support that as well, although I'm not sure that it's necessary to have quite as convoluted a system with the three levels: over \$75,000, between \$75,000 and \$2,000, and under \$2,000.

In any event, Mr. Speaker, subject to some clarification on the part of the member presenting the Bill, I believe our caucus will be supporting the legislation.

MR. ACTING DEPUTY SPEAKER: Further speakers?

The hon. Minister of Advanced Education.

MR. GOGO: Thank you, Mr. Speaker. I rise to speak in support of Bill 16. I want to commend the hon. Member for Drumheller for bringing forward this amendment to the Public Trustee Act. As an MLA I've long experienced difficulties of those who are involved with people who die intestate leaving children under the age of majority.

I certainly support the modernization of what we see here really in two aspects. One is with regard to removing from legislation a dollar amount and perhaps looking to regulation, because that gives flexibility and doesn't have to be at the whim of the Legislature sitting.

The other point, Mr. Speaker, I would like to put to the hon. sponsor of the Bill. Perhaps in closing debate the hon. member

could respond to that. There's a common perception when one reads the words "Public Trustee" that somebody is acting on behalf of the public on the one hand and that a trustee is somebody who is paid for by government. My understanding is that the Public Trustee – and I wish to pay recognition to Mr. Bill deNance, who for some years has been Public Trustee and served the province well. The inference is that it's at no cost to the estate or no cost to anybody other than the taxpayer providing that service. My understanding is, in fact, that most of this is carried out by a member of the Law Society of Alberta at the current tariff, whatever that tariff is, whether it be \$100, \$200, \$300, \$400, or in some cases \$600 an hour. I think in many cases that impacts in a very negative way on the estate. As hon. members I'm sure are aware, just three or four years ago, London, Ontario, an estate of some \$20 million, concerning someone who died intestate. The money was in Imperial Oil shares. Canada Trust was the executor. Six and a half years later the case was settled, because there was no money left. It was all eaten up by legal fees.

Perhaps in closing debate the hon. member could make some reference to what, if any, tariff is levied against the estate and in fact whether that is the normal tariff levied by members of the Alberta Law Society.

With that, Mr. Speaker, I support Bill 16.

MR. ACTING DEPUTY SPEAKER: Further speakers?

MR. TAYLOR: Mr. Speaker, just a very minor thing. I'm not a lawyer, and I find it very complicated to go through.

MR. DAY: That's your only redeeming value, Nick.

MR. TAYLOR: I'm bragging again that I was able to evade the clutches of the legal establishment. Mind you, you need lawyers, Mr. Speaker; otherwise we would not recognize what hell was like.

I had two problems, and I'm sure the hon. member will lead me by the hand. We had a bit of a rhubarb last year when the hon. member introduced the legislation. It was on the definition of "spouse." I felt that the legislation as introduced by the member and amended was discriminatory against common-law or live-in relationships. The member and I never did settle that. I think he won the case, but that was strictly because he had the Premier on his side and I didn't. Logic had nothing to do with it, Mr. Speaker.

Today I just wanted to further it a little bit. I'm just wondering about when a minor is entitled to his share, as was mentioned. Is that another Act somewhere? Does the Public Trustee have anything to say as to who has a right, whether they're entitled or not? Or is this strictly administrative? In other words, is whether or not a minor is entitled covered somewhere else or by some action entirely? Does the trustee have any right to say who is entitled, or are they just giving out administration? There again, it's my ignorance on the subject, probably, that covers that.

The rest of it is in line, as far as I can see. However, I might have to send this out to some legal eagle to tell me what's wrong.

Thank you.

MR. ACTING DEPUTY SPEAKER: Further speakers?

The Member for Drumheller to close debate.

MR. SCHUMACHER: Thank you, Mr. Speaker. As far as "minor" is concerned, the hon. member catches me somewhat unprepared. I can't put my finger on what Act it is, whether it's the Interpretation Act or the Age of Majority Act or what it is, but

there is an Act of this Legislature that says that anybody under the age of 18 is a minor. That is defined by law as prescribed by this Legislature. Up until that point of time the Public Trustee is the statutory guardian and trustee of people under the age of 18 and therefore holds their property.

MR. TAYLOR: How do they find them? Are they named in the will?

MR. ACTING DEPUTY SPEAKER: Order please.

MR. SCHUMACHER: Well, when somebody makes an application for letters of administration – that's what happens when there is no will – or applies for grant of probate of a will, if there are beneficiaries, that application requires that the beneficiaries be listed. If there are beneficiaries under the age of 18, then a copy of that application must go to the Public Trustee's office so that the Public Trustee then becomes aware of potential people that he may have to look out for. In the case of a will, the will can take the Public Trustee out of the picture by the testator – that is, the person making the will – naming a guardian of the property of any infant beneficiary. In the case where there is no will, then, as I said, the Public Trustee becomes the statutory guardian of the property of any beneficiary under the age of 18 and must hold that property until the beneficiary attains that age. This legislation is an effort to allow the Public Trustee to benefit both the beneficiary and his office by allowing sums of money under \$2,000 to be paid out to a person responsible for that child; that is, that person under the age of 18.

4:00

Regarding the question by the hon. Member for Lethbridge-West about the Public Trustee's office, I know that there has been an understanding among some of our citizens that because the name of the office is the Public Trustee's office, all work done in that office should be paid for by the taxpayers of the province at no expense to the people who benefit by that work. But, Mr. Speaker, that is really not the case. The Public Trustee's office does legal work on behalf of estates, and in many cases it's a choice of the family that they want the Public Trustee's office to do that work instead of doing it themselves. In the case of people not having a will, the next of kin are first of all entitled to apply for letters of administration, but if they don't wish to be burdened with that job, they can ask the Public Trustee's office to do it. The Public Trustee's office will do it in an efficient and timely manner but at a cost that's equivalent to what it would cost if the people hired their own lawyers to do it. I think that is the way all members of the Legislature feel that it should be handled. So basically, most of the work that is done by the Public Trustee's office is done at the expense of the estate that it's handling and is in no way intended to be subsidized by the general taxpaying public.

I hope that explanation satisfies the members who rose, but if it doesn't, I suppose we can pursue the matter in committee when we next deal with this matter.

[Motion carried; Bill 16 read a second time]

head: **Government Bills and Orders**
head: **Committee of the Whole**

[Mr. Schumacher in the Chair]

MR. CHAIRMAN: Will the committee come to order, please.

Bill 9**Nova Terms of Service Regulation Validation Act**

MR. CHAIRMAN: Are there any comments, questions, or amendments? I believe the hon. Member for Edmonton-Highlands has given notice that she wishes to propose an amendment to this Bill.

MS BARRETT: That will be later on, Mr. Chairman.

MR. CHAIRMAN: Does the minister wish to make an introductory comment?

MR. ORMAN: Mr. Chairman, quite briefly I want to basically reaffirm some of the essentials that we discussed in second reading with regard to Bill 9.

This piece of legislation gives validation to a section of the Nova Act that deals with a problem that has occurred or has the potential of occurring, and that's addressing the problem of firm downstream shippers running around firm shippers on the Nova system. As we have indicated, Mr. Chairman, we are concerned with the possibility of firm contracts being reduced by one of the parties reducing their takes under those firm contracts to make room for interruptible supply which then, in turn, increases interruptible supply which is at a lower sales price. We want to be sure that the spirit and intent of this legislation and the regulation ensure that long-term contractual arrangements are honoured by all parties, and if there is an inclination to arbitrarily reduce a firm contract in favour of an interruptible contract, that the full weight of the regulation in the legislation that enforces it deals with that particular issue. I want to point out and stress again that the total quantity of gas available at any particular border point is not unchanged.

Mr. Chairman, if we were to focus this issue as an example, we could look at the California issue, where the possibility of in fact reducing firm contractual obligations in favour of interruptible supply has the potential of occurring. It is our intention, as the hon. members know, to designate – we have already designated the Alberta/British Columbia border point – for that particular reason. The regulation lays out the opportunity by the government to designate other border points for gas removals outside of the province of Alberta, but I should say to hon. members that the intention is not to designate those border points.

I have met with representatives of the Independent Petroleum Association, the Canadian Petroleum Association, and the Small Explorers and Producers Association, and I have assured them that we would not designate any other removal point on the Alberta border without extensive consultation with all parties involved. We would not designate any other border points without full consultation of the industry. It is not our intention in this legislation to do that, and as hon. members know, there is a sunset provision associated with this. I should say that the legislation and the regulation are generic, and it's generic for constitutional reasons. We would not want to designate or point a finger at any particular removal point in legislation, so in the regulation we have the licence to designate as appropriate. There would be extensive consultation prior to designating any other points. We have no intention of doing that at this time. Extensive consultation occurred in designating the Alberta/British Columbia border point. We know the importance of doing that and that this legislation can be perceived as intrusive. In fact, it is, Mr. Chairman, but it's to deal with a very particular grievance that producers have today with regard to buyers of natural gas outside of the Alberta market in California.

MR. CHAIRMAN: The hon. Member for Edmonton-Centre.

4:10

REV. ROBERTS: I like the way you say that, Mr. Chairman.

I'd like to raise a number of particular points with the minister in committee stage here, Mr. Chairman and members. It's hard to know how to get at this, because certainly in terms of the Bill itself there are only two sections.

The comments that were made, a number of things the minister said in the debate last Friday – before we give our full support to the Bill and what it's doing, I'd like to make sure that we've got particular points clarified not just within the Bill but within the minister's explanations about it. In fact, he's already addressed one that I had. I've got 14, in fact, and the first one has to do with that on Friday he did say that this legislation would allow for designated points, in the plural; not just the ABC designation but that it would be open to others. I know others have spoken to me about this indeed being too wide a regulation that could affect other border points. I guess we can trust the minister whether it's as a constitutional provision or just a need to have to do it in the legislation in terms of the plural, but, as I understand it, by ministerial order 3/92, February 19, the minister specifies that the Nova pipeline system's got Nova tariff at the British Columbia border, number 2001. So as long as we have those documents in that direction, I guess those other concerns are satisfied.

I'm still not clear though. The minister keeps saying that this does not affect the amount of volume that is available. I think I know what he's saying. He's saying volume at certain prices, though, and that the firm, contracted gas has to go first and, in the nature and terms of the contract, before any other interruptible gas goes. So that in a sense, if it's as I've heard, 90 percent of it can represent the contracted firm capacity – the other 10 percent of volume can't get through – and that this legislation would prohibit that amount of volume at the lower price from getting through. I don't want to split hairs; I just want to make sure I understand when the minister says that it doesn't affect volumes. It certainly does affect volumes at certain prices. If you could say more to help clarify that, I'd appreciate it.

You said, too, that this is an interim measure that will allow us to continue our dialogue with the industry to determine more appropriate terms of access for ex-Alberta delivery.

I'm not sure that it will. If this measure takes effect, two of the sunset provisions of '94, I think California has other means at their disposal to get other gas. They could pay higher prices for it out of Texas or El Paso or other places. It might be just the fly in the ointment that would cause the dialogue to stop. We'll get into this a bit later. As I understand it, it's an interim measure that gives us some bargaining chips, but does it really help the dialogue? I'd like some clarification of that. I'll ask some more questions about that.

Another point that I have – and again this is just for my own perhaps education on these matters, just to understand the Nova Act itself. On Friday the minister said that Nova is a unique system not regulated by any regulatory body – it's not subject, as I understand it, to the NEB or to the PUB or to any regulated body – and that a committee is in place that is structured as a complaints committee. Could the minister say more? I would like to think that there would be sufficient provisions under the Nova Act that regulations of this sort can be made under that Act. It seems to me that there's something wrong either with the way the Nova Act is structured or the way this committee is in place that it has to come back to the Legislature for our validation of this. Again, I'm not clear why Nova, for instance, unlike Trans Mountain or other pipelines throughout Canada, which I understand are

regulated by the National Energy Board, is so unique and if perhaps this uniqueness isn't causing more problems than it is solving.

Then the minister goes on to say that this committee, which I guess regulates, to use that term loosely, Nova, is better than government regulations because it is more cost-effective. I'd like to know what evidence there is that this committee structure, which has some effect on Nova's operations, makes it more cost-effective. This has implications for the Bill, Mr. Chairman, which is why I'm raising it. The minister raised it in his explanation on Friday as to why we've come this route, and I just would like some more clarification about it.

Another question I'd like to ask before we go further with this is whether or not the minister of the Crown here, with whatever regulatory group or committee there is over Nova, has the support of the National Energy Board over this provision. If we did not take this action, would the National Energy Board? As I understand it, I know we in Alberta have a lot at stake with most of the producers and aggregators being from the province, but we just read yesterday about a big new gas find in British Columbia and that, in fact, this isn't just an Alberta/California dispute. This is a Canada/U.S. dispute. I want to know if there isn't a larger issue lurking here, whether it has to do with the trade deal or whatever else. We're coming in as one of the players, but do we have the full support of the other players, particularly British Columbia and the National Energy Board, and why in fact wasn't the designated point of cutoff the B.C./Washington state point? Here we are as Alberta taking the point at Alberta/B.C. Why couldn't the NEB, if they agreed with A and S – and this is a way of resolving the dispute – say, “Okay, between Canada and the U.S. we would cut it off at the Canada/U.S. border,” which is in B.C.?

Another question which I don't think the minister responded to in terms of my questions on Friday – I agree with him, as I said, that the integrity of contractual relationships is crucial here, as I say, but if, as I've even raised in question period, they are crucial and we want to preserve that integrity, why isn't that integrity pursued through the courts and adjudicated in the courts? If there's a contract between two private commercial entities, and there's some violation of that contract or something – one party is not fulfilling their obligation in that contract – it sounds like it's a matter for the courts to decide. I know the minister has said that it is before the courts. I hope that our comments here today are not sub judice in any way and aren't going to influence any court decision. I'm sure I might get the response, “Well, it will just take a year or two or three years because it's tied up for such a great length of time in the courts.”

A subquestion I have under that is that I understand Shell and Chevron and four other majors are not just taking this matter to court for a ruling; they are also seeking damages in the neighbourhood of \$70 million or more. I think Shell is in for \$70 million. All together I'm not sure what the amount is. As I said to the minister before, if we are going to follow this court route, and if they're already doing that and if they're putting in for damages, does the province, in a sense, have a claim to recover lost royalties – that \$70 million or whatever amount is settled – which would be due to the Crown? I guess the broader way to put this question is whether the province is also going to court over this, because certainly to understand it, by passing this Bill there is grievance being done. Alberta is losing, producers are losing, and if there's a judicial mechanism for resolving that and damages are awarded, what is our claim to that in terms of lost royalties?

The minister also mentioned the restructuring deadlines and timetable and that the capacity brokering decision by the CPUC in California shortened that timetable, as we know. I again want to

know if in fact at the negotiation table some other resolution of this dispute takes place, will Bill 9 become redundant? Is it going to stay in place? What is its status if there is some negotiated way out of this within the next year before the sunset provision, which will get us at another point I'd like to make in a minute?

4:20

Just again clarifying some important points, the minister also said that of the A and S pool that is being affected by this dispute, it wasn't just the majors but there were 190 small producers. I've tried to look into this, but it would help me if I could know what percentage of the total number of producers those 190 represent. For instance, I'm told that there are well over 2,000 producers of natural gas in the province and that the ones who have contracted capacity on the pipeline are a very small percentage of the total. In terms of the majors it looks like a hundred percent of them are part of this, but of the smaller producers 10 or maybe 20 percent of the total are part of the pool. Again, as I said on Friday, I think that has some long-range implications for the way in which this plays out and what effect it'll have on the smaller producers in perhaps the long run.

I appreciate the minister's patience with me in saying that I was sort of swerving from the point at issue here, that the FERC and the mega-NOPR are not directly bearing on this case. I still thought that their ruling under the mega-NOPR was saying that capacity brokering out of California was not the way to go, that in fact capacity relinquishing, capacity reallocating, that there were other mechanisms was something that was ruling in our favour. I guess a question I have is: if it is ruling and moving in our favour, can we trust it? Can we not support it rather than validate this regulation? It would seem like a giant step forward for FERC to come out with that ruling and to help us – it certainly puts pressures on California – but if it isn't perhaps more of an element here than the minister is saying.

The other aspect of it that I'm not sure on: I thought that however the transition costs were being determined or the shared liability at both ends, that again the mega-NOPR had something to do with that. If I'm mistaken, I would like to know what mechanism, what framework there is for dealing with these transition costs and the shared liabilities. I guess it gets into the awfully technical aspects of what's going on at the table, but it would be helpful to me if we could know just how much trust and confidence to have in that process.

Then finally a couple of last points, which I guess get to the heart of the matter in some respects, are some better assessment of what is happening with the energy consultative mechanism, the ECM, and what the status of their discussions really are. I don't know. It's like listening to what's happening with the National Hockey League strike to know if talks are on or not or what offer is being made and what isn't. It's hard to really get a sense of it all. I thought we got some news releases from the minister saying: “Yeah, things are fine. We're really happy with the way things are moving there with the ECM,” and then I hear: “Well, no; their talks have broken off. They've gone back to California, and they're mad.” Then I hear the consul general saying it's around the corner, and then last Friday the minister said no, we're not on the verge of any agreement at all.

I guess what I would like is to have more faith and trust and confidence that they will be successful even without this regulation and legislation. As I said on Friday, I didn't get us into this mess; this government and deregulation got us into this mess. Now that we're in the mess, let's leave the private market, the negotiated approach to it, to take full effect. I don't understand when the minister put out on January 30 the statement of principles – and

again, I think we need some real clarification here. It says in this news release that "the Provinces of Alberta and British Columbia and the [CPUC] have agreed to the general market framework." They go through six statement of principles, including "open-access pipelines with firm capacity holders able to release, broker, or assign capacity they do not require." There seem to be a number of things in here which say: and by the way, we will agree not to bring in Bill 9; or: we will agree not to threaten, in a sense, to not allow interruptible gas through.

Now, the minister might want to explain a bit more why it was that after these were agreed to on January 9 in Vancouver, British Columbia - I understood that negotiations were again going through pretty well - that it wasn't until some date in February where . . . I'm not precisely sure, but the two events - one was the National Energy Board hearing on these matters and complying with the Canadian Petroleum Association's request that they petition or subpoena CPUC to come to their hearings - in a sense really got California mad. They said: wait a minute; we've got a deal here; we've got a statement of principles we've agreed to; we want to work it out, the transition costs; what in the world are we being subpoenaed to some regulatory body in Canada for? Then further, the other irritant was that the Minister of Energy for Alberta came through with this regulation which says: by the way, we're really going to get tough, and we're going to cut off interruptible gas at the ABC line unless you guys realize that a deal's a deal. I'm told they went into a fury over that and said: okay; if you're going to add these irritants to the process, we're going to take a step back. They didn't believe, in a sense, that we were negotiating in good faith.

Now, I don't know why these things have come to pass or if in fact it's true. Not to lay blame, I just know that I would like the negotiated route to have its full effect and be able to have that kind of settlement without requiring Bill 9. If we're doing things which are irritating the process and are not showing good faith into a long-term continental energy market where we have a lot at stake in terms of the supply and sale of gas - I mean, we want to be known to be reliable, consistent sellers. We don't want to be seen by some major players, particularly California, as acting in bad faith or being inconsistent or, as the Member for Westlock-Sturgeon said last week, sort of jack up prices when it's in our favour and balk when they fall. A lot hinges on that, Mr. Chairman, and I just want to have further clarification about that process. If the minister is going to come back and say: "Well, forget it. The negotiations are off the rails. We're going to have to just play hardball. Pass Bill 9; give me the power to cut off interruptible gas at the ABC point so they won't be able to deal at all," then how can you disagree? It's just that we wish there was a better way of getting at an outcome which is better in the long term for Albertans.

I guess that leads to my last point, which has to do somewhat with the timing of this. I know the Member for Edmonton-Highlands will want to speak to this because she claims that she's never seen a regulation have to come back to the Legislature for validation that is, in a sense, retroactive back to February. I said that my understanding was that it gives the minister legal power, but he hasn't taken any action; he's just using this as a club in the event of. If there can be some clarification on that, we'd appreciate it.

Thank you.

4:30

MR. CHAIRMAN: The hon. Member for Westlock-Sturgeon.

MR. TAYLOR: Thank you, Mr. Chairman. I don't have that much more to say than I did in second reading, where I think I

roasted the minister to a nice pink to brown, but I had forgotten a couple of things that I wanted him to answer on.

Actually, normally in Committee of the Whole you just talk about specific items, but this is such a broad one, like the first one, the validation of the regulation. Here again he might have to bring me up to speed. I know that if I even indicate I might not know something, the minister is very quick to spin a fairy tale around it, and I'll have to go and check it out.

I think one of the things that's happening here is that the minister has been able to divert or has put a lot of attention on lower gas prices in the U.S. coming about because of being able to escape through short-term contracts. The minister's already heard my opinion. I've offered my solution free to him - I could be a hero - and that is to stop any gas going out unless it had at least a five-year contract. I give that suggestion to him now, Mr. Chairman, because he will come along three years from now wishing he'd taken it, and I've just sort of sped up the process. With various little simple clauses saying that no gas can be exported unless it's got a five-year or longer contract, it will stop the short-term ones sneaking out the door and bringing the price down, because it's our spot gas market. I know the minister's a very young man, really, but if he was as old as I am, he would remember when the spot market sold for more than the contract market. Now the spot market is much less than the contract market, and that's what's bringing our contracts down. He could easily, I think, put in that five-year limitation.

I wanted to bring up one thing else, Mr. Chairman. In our haste to try to get gas prices up through pipelining capacities and length of contracts and that, we may have overlooked one source. It's not a big one, but Nova has had a pretty soft touch here for 25, 30 years, no competition for transporting gas within the province. Have we really looked that organization over well enough to see that it's got rid of all the fat it may have on its bones or between its ears, wherever corporate fat is likely to lurk nowadays? Maybe our producers in Alberta are not only being shafted by the single-desk buy-in process as on the California market. Maybe we should be looking fairly carefully - and I notice that in the very first clause, the terms of service regulation - and rechecking that again to see whether the producers are getting a fair shake on the cost of transporting gas within the province through what is essentially a monopoly. I know they have their hearings and so on.

Of course, the oil companies aren't blameless in this regard either. When the good years were along, they didn't really pay that much attention - and I was as guilty as anyone else - to what Nova was charging. The fact that Nova was able to whistle all over the world and get into all sorts of weird things from Italian valves to weird airplanes and everything else suggests to me that there was a fair amount of profit floating around there that maybe wasn't necessary. I think if the oil companies and gas companies are really looking at overhauling things - there again, as I mentioned the other day, bring back the NEP; you have to have a national energy policy. You can put different initials on it or whatever you want, but you can't just go around as Alberta with 2 million people, with a hungry world needing all the energy it does, and say, "Oh, it doesn't matter; let free enterprise take its course," because you're going to get goosed just as sure as your name is Rick Orman. You can't sit back there and let the so-called marketplace take place because they have single-desk buyers, huge buying organizations against a number of small gas producers here. We also have to streamline our own shop here.

I'd be interested in the minister's answer, just what he thought about whether the oil companies were holding Nova to task enough to make sure that they're getting their gas transported as

cheaply as possible within the province. I know it's only going to be 4 or 5 cents, but that's getting to be awfully important. There was a time when what Nova took off the top didn't amount to a roll of dimes. If you're selling gas at \$3.50 or \$4, Nova got an extra nickel. Oh, what the heck; they deserve it. They're Albertans, good old boys, and all the rest. Nowadays, when you're getting pared right down to the 70, 75 cents thing, if there's a nickel of fat in Nova, you'd like to know about it. I have a sneaky feeling that Nova's honeymoon with both the government and the producers should be drawing to a close, if it hasn't already.

After saying that, Mr. Chairman, there goes my last chance of being named to the board of directors of Nova.

Thank you.

MR. ORMAN: Mr. Chairman, I appreciate the interest by the Member for Edmonton-Centre, but this is not a place for the member to get his education on natural gas marketing or the trade of natural gas. I do appreciate the questions he's asking, but for him to ask me to clarify something that he doesn't understand – I don't think this is the place for that.

Let me point out one very salient point, and that is that the volume of gas that moves through the PGT system out of the A and S pool is 1.622 bcf of gas. That will be the same today as it was last month, as it was six months ago, as it will be nine months from now. The point we are saying is that as long as there are contractual relationships for – I think the member used 90 percent; let's use that number – 90 percent of the gas, as there have been traditionally, there has been 10 percent that has flowed interruptible through the system. What is happening is that the buyer is arbitrarily reducing the firm contracts to make room for more interruptible. It will not affect the existing interruptible supply on the system if the long-term contracts are lived up to. What we want to do is preserve the sanctity of contract, and that is the beginning and the end of the purpose of this particular piece of legislation.

Mr. Chairman, the hon. member talks about accommodation and negotiation. He should know that the administrative law judge in the capacity brokering hearing at the Public Utilities Commission arbitrarily reduced the negotiating period from three years to six months – arbitrarily. This is a response to an arbitrary action taken that followed an agreement by all parties. So we have been through the process, and that was a long-drawn-out, painful experience. I've now been through three presidents of the Public Utilities Commission, and it is a difficult situation to deal with when they change their presidents on an annual basis. This is a response to unilateral regulatory action.

Mr. Chairman, the issue of Nova regulation was brought up by the Member for Westlock-Sturgeon and the Member for Edmonton-Centre. Nova is not regulated in the traditional sense because it is an intra-Alberta carrier of natural gas. Most other pipelines carry gas through interprovincial relationships, so they move through provinces. That begs regulation, because you have to make sure that there is uniformity as the pipeline moves through provinces. Having said that, despite the fact that Nova may be the only pipeline left in North America that's not regulated under the traditional terms, there has been a good relationship with the producers. They have struck a relationship that allows for audit committees. There's a provision at the Public Utilities Board here in the province for complaints on rates. They can complain on . . .

4:40

MR. McEACHERN: Mr. Chairman, I'm getting some additional feedback on the mikes around here, I think from over there. Does

he have an extra mike on or something? I'm getting a lot of feedback from over there, and I can hardly hear.

MR. CHAIRMAN: The Chair would ask that all members keep their conversations low in order that the hon. minister . . .

MR. McEACHERN: This particular feedback was really coming in from behind here.

MR. ORMAN: Mr. Chairman, I'm flattered and stunned that the hon. member was listening, but I appreciate it. I'm having a hard time thinking myself. He's right; there is a lot of background noise.

Mr. Chairman, as I was saying, Nova deals with the industry in terms of committees of producers dealing with Nova, and if they have complaints on facilities, they can go before the Energy Resources Conservation Board.

Now, the hon. Member for Westlock-Sturgeon. I may not be as old as he is – I don't believe too many people are, Mr. Chairman – but I have been in the energy business since 1972, one way or another, and I know the concerns that the member expresses about Nova. Nova has had it pretty much their way despite the fact that they have responded by putting committees of producers together to iron out and deal with issues that arise on a regular basis. Because of the concern that has been expressed to me, I did order the Energy Resources Conservation Board to convene an informal hearing of producers and Nova to deal with all of the irritants in the relationship between them. I expect that report to come fairly soon, and it is in response to the current concerns the hon. member has and a concern I had as a producer at one particular time. I'd be pleased to inform the hon. member of the results of that report as soon as I've given it due consideration.

Mr. Chairman, the hon. Member for Edmonton-Centre asked a question with regards to the role that the federal government is playing in this action. Let me say that the National Energy Board has taken action. They have put more stringent requirements for short-term export orders to California, and the NEB prohibits A and S firm assignments on Alberta natural gas. They have, in fact, done what the hon. member suggests they do, and that is to support us extraterritorially – that is, outside the province of Alberta – as the Alberta natural gas pipeline that moves gas through British Columbia, from ABC to the state of Washington international border.

The question was raised about the National Energy Board and that the officials at the Public Utilities Commission in California found it an affront to be subpoenaed to the NEB. Well, Mr. Chairman, I don't defend that, and I'm sure the hon. member, if he thinks about it, won't either. The Public Utilities Commission in California, along with PG and E and all of their subsidiaries, made representations in 1988 to the National Energy Board before their gas export licence hearing. At that hearing they said that they liked the relationship that exists between Alberta gas going to California, and they see no necessity to change the relationship whatsoever: it's worked for 30 years; let's not change it. The National Energy Board then moved to approve the export licence. I wrote the National Energy Board recently and asked them to review their decision, based on the unilateral actions they've taken that are in absolute contrast to representations they made before the NEB. It makes sense to me that if they said one thing one day and are taking another action, somebody had better ask that the decision be reviewed, based on the integrity of the process. That's the position that we took. I don't blame, frankly, California interests not having to come and explain the contrast between what they've said and what in fact they are doing currently.

The issue of courts was raised. The hon. member is quite right. There is a series of suits that are being pursued by producers who have contracts in the A and S system, and they are suing because they don't believe that the contractual obligations of the consumer are living up to the strict terms of the contract entered into with the producer. Mr. Chairman, this lawsuit, I'm told, is a result – and I do not want to get into any *ex parte* discussion or anything that is sub judice, but let me say that the actions by PG and E are deemed by many to be a result of the pressure by the Public Utilities Commission on PG and E to reduce their takes. *Ipsa facto* we have to move in and say you can't do that. We're standing up for the contractual relationship of our responsibility at the Alberta-British Columbia border port and saying: "Hey, wait a minute. That's not right. There is a contractual relationship. If you want to change it, then get the parties to the table and renegotiate it." That was done. A three-year period was given. They said okay, and then they changed their minds: no, it was going to be six months. We are a party to the suit in that we have our royalty share of gas that has been sold. The producers sell our gas on our behalf. In a recovery in that suit, the royalty share will be remitted back to the province. We aren't part of the suit because we don't have contracts, but any recovery of the sale of our resource on behalf of Alberta producers will be recovered.

Mr. Chairman, another point made by the Member for Edmonton-Centre dealt with the A and S producers. How many producers in the pool? Well, there are 190 producers. Whether they're big, medium, or small is not the issue. The issue is the principle of sanctity of contract. You cannot discriminate on contractual relationships entered into by two willing parties and then move in to suggest that because they're big producers, somehow we shouldn't support contract sanctity. On one hand, the member says that commercial negotiations at the table should be respected, as I heard him say, and on the other hand he's questioning whether or not sanctity of contract is really relevant when you look at the size of the producer. I reject that, and I know that the hon. member does too.

The second-last point made by the hon. Member for Edmonton-Centre dealt with the notice of proposed rule making by the Federal Energy Regulatory Commission, which is normally referred to as the NOPR – this one is called the mega-NOPR because it's bigger than other NOPRs – but the rules that will be applied as pipelines make applications to the FERC are dealt with in the megarules under the mega-NOPR. This process could take anywhere between two and four years. The member brought forward the question: why can't we let the ECM work? Why can't we allow FERC to do their thing? It's an issue of time. The longer the process is dragged out by other parties, the longer the potential for erosion in the pipeline occurs, and we want to prevent that. This issue here deals with time, timeliness. We want to move in a way that protects our interest now. There is a sunset provision. The hon. member says: can this legislation be rescinded sooner if we do come to some accommodation? The answer is yes. As a matter of fact, Mr. Chairman, this legislation becomes redundant if in fact there is an agreement reached on restructuring in California.

4:50

The last comment has to do with the energy consultative mechanism. The stage of the negotiations – as the hon. member should know, negotiations change. One day you're optimistic; one day you're not. One day you think you have an agreement; the next day you don't. That's the nature, that's the fluidity of negotiations. What stage we're at right now is not quite relevant, Mr. Chairman, because it could change tomorrow. The hon.

member has pointed out that it has changed through the process. I'm simply saying that all the hon. member needs to know and all I need to know is that those who are at the table right now are not telling me that an agreement's been reached. Therefore, I don't want to prejudge the outcome.

It's been a long process, and I respect the people who are at the table. Whether or not California in the end agrees with the draft that was sent to them remains to be seen. We were satisfied with the draft agreement that was drafted by the parties in Vancouver, in Calgary. We agreed to it. We sent it to California. We felt that the representatives of the Public Utilities Commission at the ECM were in agreement with it; that was the impression they left with us. It went to California, and it got into the hands of some of the commissioners and came back altered, reflective of the process that we have experienced in California, and that is that we never know where we stand because things change without notice.

Mr. Chairman, again the hon. member has to understand that the unilateral truncation of the negotiated access agreement happened during the capacity brokering hearing. The capacity brokering hearing and the administrative law judge dealing with capacity brokering really should have had nothing to say about the access agreement. They were two different hearings. That's the nature of the regulatory turmoil in California – I guess that's a word for it – and there's not much we can do about that other than respond in a way that represents the best interests of the people of Alberta, and that's what we've done in this legislation.

MR. CHAIRMAN: The hon. Member for Edmonton-Centre.

REV. ROBERTS: Thank you, Mr. Chairman. Three points, just to clarify. One of my real concerns in this issue, in this dispute, is what Alberta's sale of natural gas is going to look like five, 10 years from now. Now, maybe this is right off the mark. Is the minister talking about this irritant right now, this interim measure as a way to get back at the administrative law judge and the unilateral action there? I can understand that and support that. It was unfair, it was harmful to our interests, and we have to, in a sense, fight back.

What I am concerned about is not just the contracts now; it's how to get small Canadian producers into the pipeline with contracted gas in the long run. That's why I quoted the minister last week saying, you know, you don't expect the majors to be doing much in this province ever again. I think if there's a future for oil and gas in this province, it has to come from the hands, the drilling, the creativity, and the capital of small Canadian producers. I mean, look at Petro-Canada and Esso. They're all pulling out, and it's leaving the field in the hands of good, hardworking Albertans who are small producers, who in large measure do not have capacity on the Nova line now to California. I'm not saying that the existing contracts, the big ones who over time, because of their market share and their size and their power, have been able to make the deals and sign the deals built up over 30 years – I want to ensure that these contracts hold. But when the price and the contracts are renegotiated, as we know they surely will be as the price continues to tumble, as unfortunately it is, we have to work ever harder to develop markets for natural gas, whether it is through use in automobiles or hydration or coal generation. We have to be out there developing markets for this product which is so precious to us. Maybe it will raise the price, but we have to ensure that what we're doing here is going to expand the sale of this resource for our producers, and in contracted ways.

That's why I raise this issue about the 2,000 producers. This is 190 of them that are affected. Now, is there any fear that by

taking this action, California will say: "You're unreliable. We know you've got cheap gas up there. We're going to turn our attention to Texas. We're going to turn our attention to Mexico. We're going to get cheap gas because we know it's a buyer's market. We know we're a monopsony buyer." I hate to say it, and maybe it shouldn't be on the record, but they've got us over a barrel here in some ways. I mean, there's this whole thing with the trade deal and the North American free trade deal and the continental energy policy. That's my concern, that what this administrative law judge represents is the power of buyers, big megabuyers like California having their own way, and us having to fight back but realizing that their contracts are going to have to be renegotiated. How are we going to be able to renegotiate them, keeping the buyers somewhat happy but playing fair and making sure there's going to be room in that pipeline in those renegotiated contracts for the smaller producers over time? The whole A and S pool might just break up, leaving the majors to then turn around and buy up all the small producers, who haven't had the capital and who have been shut out of the market for so long, and to say: okay, we're going to take you over as well.

On the particular points of the current negotiations, I hear what the minister is saying. I agree that when you get different parties at a negotiating table, a lot changes from day to day, and it's frustrating, it's painful, it's difficult, and so on. I guess I would just like a clear reading from the officials that I understand this government has at that table – so the minister must well know what's going on there – how Bill 9 is going down. Are negotiators at the table saying: discussion finished; we'll get back to this on March whenever it is, whenever the sunset provision is. Is it strengthening our hand? I've heard it's an irritant to California. They feel we're not negotiating in good faith, and they're turning their attention elsewhere or they're not coming up with an agreement or negotiating. It's in a sense jeopardizing that. It would help me to know, and I guess not being privy to the negotiations – the minister says he's not privy – we don't exactly know. If we can hold up Bill 9 until we have a clear sense of what the negotiations are doing and if there's a chance for a settlement, then I think there might be wisdom in that. If Bill 9 is going to bring California to their knees saying, "Okay, you've got us; no more unilateral regulatory actions; no more capacity brokering; we understand and we're going to comply," then okay, let's pass it. But we're in this hazy middle world, and I just don't want to jeopardize that proceeding.

I know the minister doesn't want to continue with the education of this member on this issue, but this is a place for raising important questions which not just me but other people in the field are asking of me and that in discussions they say they don't know. As we know, it's technical and very political and has a huge financial, economic implication for this province. So if it's a matter of either educating me or making it clear to the people of Alberta why it is and how it is that the agreement of a statement of principles on January 9 – there are six of them. As I read them, there is some way in which Bill 9 tends to violate them, particularly when number 3 says:

Open-access pipelines with firm capacity holders able to release, broker, or assign capacity they do not require;

or a nondiscriminatory system of capacity brokering. Again, this gets into some of the technical aspects of it, but it's going to be helpful to know that Bill 9 is not in violation of the statement of principles that were agreed to. If it does violate them in some way, then does it render this document and these principles redundant? I'm fuzzy on that and would like some clarification.

5:00

Those are three points. How are we going to assure in the long run that the small producers have more of a capacity on the

pipeline? How are we going to create the conditions? As it even said in this news release, Mr. Chairman:

Outstanding transitional issues need to be resolved in order to move toward the restructured market . . . envisioned in the Statement of Principles.

That's what I'd like to get to. Tell me again. I might be a slow learner, but I'd like to know how Bill 9 helps those outstanding transitional issues.

MR. CHAIRMAN: Thank you.

The hon. Minister of Energy.

MR. ORMAN: Mr. Chairman, restructuring of the California market as anticipated in the access agreement: that's what the access agreement was for. It was to facilitate restructuring, which would facilitate more producers being able to sell their gas into California.

AN HON. MEMBER: More producers.

MR. ORMAN: Sure.

The main way that that will happen is that with restructuring and the opportunity for new pipeline capacity, we'll be able to virtually increase the amount of gas we sell to California by 30 to 40 percent. California has, in fact, jeopardized new capacity to California by these actions.

Mr. Chairman, the hon. member says that you need reliable suppliers for a good market-based relationship. He brought up Adam Smith. I'm still reeling from the hon. Member for Edmonton-Centre referring to Adam Smith. The member knows that for a valuable, long-term, stable market relationship, not only must the seller be reliable, but so must the buyer. There is nothing in the marketplace that suggests that a seller has to sell, unlike California would suggest. California suggests that the market operates by a seller selling at any price on the terms and conditions that they dictate. I say to California that if we don't like that dictum, then we aren't going to sell our product. Then they say, "Well, you can't do that; you've got contracts." You can see that there is only half of the equation, and the hon. member is close to buying into the half of the equation that is presented by California. Yes, they may be able to get gas elsewhere from the U.S. southwest, but no, they won't get it at a price cheaper than Alberta gas is delivered into California on an annual basis. They will not be able to do that.

Now, Mr. Chairman, the hon. member is concerned about the impact. It reminds me of the punch line of a joke, and that joke is: we've determined what you are; now it's just a matter of negotiating price. I won't refer to the first half of that joke because it would be somewhat unparliamentary, but I think the hon. member knows what I'm getting at. We have to stand on the principle. It doesn't matter who's affected, when they're affected, why they're affected, or how they're affected. The matter is that there's a principle at stake. Yes, there's risk associated with this, and that risk, albeit a minor risk, may be that they will decide to get gas from the U.S. southwest.

What's the U.S. southwest doing, Mr. Chairman? They're prorating gas into California because they're concerned about their regulatory intervention in that state. I've met with them. I've met with all the regulators and Senators responsible for energy in the southwest states. I've met with the regulatory boards in those states. I've been to Texas. I've talked to the Oklahomans. I've talked to the New Mexicans. They all are in one hundred percent agreement with the concerns we raise here, and they are not going to be whipsawed. They see that we are on the

point of attack by California, and they know that they're next. They know that they have to stand up for the principle. The way that they deal with it is prorationing, and I don't agree with that. I believe that this way of bringing forward this regulation and then allowing it to sunset will allow for the transition period. It's simply a transition period we're putting in place because it is sunsetting. It is relatively coincident with what we negotiated, so we're simply saying: we're going back to what you originally agreed to, and that was a three-year transition period. You've changed your mind? Well, we haven't, and we are going to stand up on sanctity of contract.

Mr. Chairman, I don't know how the people at the ECM view Bill 9. Frankly, I don't care. I've been around the horn with California for three years on this issue. I advised California through the ECM in the early part of this year that we were going to bring this regulation in place January/February of this year. I advised the Minister of Energy, Mines and Resources in Ottawa in December '91 that we were going to bring this regulation in place and bring it in place in response if there was not a satisfactory accommodation of the interests of the producers in the producing province on these issues.

[Mr. Jonson in the Chair]

Now, Mr. Chairman, I must continue to emphasize that the regulation is generic to all border points. This regulation could conceivably apply to all removal points in this province. Constitutionally we have positioned ourselves for, I think, obvious reasons. We have in the regulation designated a border point already to deal with a specific grievance that we believe is harmful to the resources of this province. I have indicated to the House leader for the New Democrats and I indicated in my opening comments to the Member for Edmonton-Centre that designation of another border point will not occur and would not occur until there was extensive discussion and agreement by producers that other border points should be designated. It would only be under a circumstance similar to California, where it was a response to unfair trade practices.

Again, in closing, I want to emphasize, Mr. Chairman, that we are doing this, as I said, on a matter of principle and continue to see the wisdom of protecting the resources of the people of Alberta, and timeliness is of the essence. We are moving into the soft demand period; we're in the shoulder month right now where demand is traditionally the softest for natural gas. The negotiating power that we have is shifting away from the high demand winter months into the summer months, where their demands are down, and if demand is down, volumes are down. It makes a tough negotiating position for producers. So for us to stand by and allow them, during a low uptake of demand for natural gas, to come upon us and then negotiate under those circumstances would be a very difficult situation. So we have to move in a timely fashion. We can't wait for ECM. We can't wait for the National Energy Board, although they've been supportive, and we can't wait for another administrative law judge to rethink the whole situation. But, as I assured the member, this action becomes redundant if satisfactory negotiations occur between the parties who should be at the table. That's the buyer and the seller.

REV. ROBERTS: Mr. Chairman, I think what the minister just outlined is an issue, a debate, that we're going to be into throughout North America over the next period. It has very little to do with whether we're Canadians or Americans or Mexicans. It's going to have to do with whether we're a producing province of natural gas or a consuming province. I can see this sort of

solidarity forming between producing provinces and states and the consuming provinces and states. I mean, there are other irritants, as the minister knows, with the core market in Ontario. I'm not fully aware of all of the different issues, but certainly the relationship about yes, you need to be a good reliable buyer and, in a contract in a free market principle, you need to also be a good reliable seller. What issue we're really on the nub of here is: what are going to be the terms, the framework, for making all of that at least, as I said on Friday, a most optimal solution for both sides? I'll be pursuing this question.

5:10

I just want one last bit of – what's the word? – confirmation or affirmation from the minister. I was pleased when I got this news release on January 30 outlining the statement of principles that in a sense could be almost a new constitutional agreement between producers and consumers of resources, particularly natural gas. There were these six principles to which I could certainly sign on and agree to: multiple buyers and sellers, aggregators not being precluded, open access pipelines, and so on. I guess I'm a bit concerned when I hear the minister say it doesn't matter what's going on with the ECM. I think it does matter, and I want to see this not just in a statement but in a workable, binding process for both sides. So can we get some assurance that – and I take it that California walked away from it. They said there was some problem here; they didn't agree to some aspect or another of it. At some point – it's not going to be this Bill or this minister or whatever – it's going to have to come down to an agreement, a framework, a statement of principles, that is going to be workable, and of course we're getting into some remedy when one of the contracted parties violates it. Again, I thought courts could do that.

Anyway, let's be clear again. My last point is: what is the status of this statement of principles? Do we as Albertans still stand behind them, and how can we create the conditions favourable to ensure that California and other consuming provinces and states do?

MR. DEPUTY CHAIRMAN: The Member for Edmonton-Highlands.

MS BARRETT: Thank you, Mr. Chairman. I think the debate that's occurred between the Member for Edmonton-Centre and the Minister of Energy has been extremely enlightening. The reason I want to participate very briefly in the debate is because of the extraordinary measures that are being requested in this legislation. Let me be on the record as saying that the day that this Bill was introduced, my head spun. I've been looking at legislation, I've been working in this building for 10 years, but I've never seen a Bill like this.

First of all, I've never seen legislation that engrosses what is already delegated legislation. That is what regulations are. They are delegated legislation, and they have the same strength as the law, any law that's passed in this Assembly. Secondly, I've never seen it done retroactively. Thirdly, I have never seen a Bill that will give total immunity against civil action by anybody to a given company: absolutely extraordinary. I couldn't wait to get the regulation to which this Bill refers. As the Minister of Energy said – he and I spoke a little while ago outside the Chamber about this Bill. Having explained my personal concern with this legislation and in agreement with the Member for Edmonton-Centre, we also want to make sure that our gas sales can continue. I mean, no problem about that; we just want to make sure that we're not going to jeopardize our ability to do this. Legislation is

an extremely powerful tool, and if you want to use an extremely powerful, protective tool like this time and again and again, it is true that you could hurt your credibility.

My question to the minister is this. He suggested that if things work out, we might not have to proceed with this legislation. The fact of the matter is that it's an assent Bill. It's not a proclamation Bill, so it comes into force the day that the Lieutenant Governor gives it Royal Assent. That could happen quite quickly, especially with a Bill like this and given the pleading of the minister. Now, given that there is no sunset clause in this legislation, when the contracts are in order to the satisfaction of both buyer and seller, will he commit to introducing legislation to overturn this Bill; in other words, bring in a sunset Bill to get rid of it? I think that's a very critical measure for the minister to take in order for this legislation to be seen as an extraordinary precedent and not one that the government is prepared to use time and again and again and again in an environment of deregulation – which, by the way, they advocated – when things don't go their way.

Thank you.

MR. ORMAN: Mr. Chairman, first with regard to the hon. Member for Edmonton-Centre's comments on the energy consultative mechanism, let me try and put it in maybe more understandable terms of what I'm trying to say. The statement of principles that the hon. member sees is agreed to by everybody, but it's like a novel. You can't learn anything from a novel flipping through, reading the headings on each chapter. It's the flesh on the bones that the ECM is working on underneath the headings. These are headings of agreement in many ways. Everybody agrees with the principle, but it's in how these principles are implemented that there is a difference of opinion. I believe, however, that it is substantive progress to have been able to achieve this statement of principles. The statement of principles came about because we didn't know on what basis they were operating in terms of their relationship with the shippers, so we stepped back and said, well, maybe we just differ on how the relationship should look. Then we put together the mechanism to say, "Look, why don't you guys sit down and see if we all agree on principles first?" There's no sense talking and banging our heads against the wall if the principles are not agreed to.

The principles were then established; we agreed to them. Now it is to move from the generic to the specific, and that is what is occurring now. We had some specifics agreed to by the ECM participants. We sent a draft down to California. It came back substantially altered. We don't know whether it's a delaying tactic, whether they want to get into the summer months, whether they just hope this thing dries up and blows away, or they protract it for a year. We said: "That's not good enough. Here's what we're doing. Now you go ahead, and if you come to an agreement, then none of this is necessary."

What I'm saying to the hon. Member for Edmonton-Highlands – and I appreciate her contribution on this issue – is that yes, the legislation is retroactive. It's simply retroactive to the point where the regulation came into force and effect through order in council. I mean, we just weren't in the Legislature, and we had to take some action at that particular time. The reason we have this specific legislation is because there's a weakness in the Nova legislation to deal with this issue based on their regulatory functions as a result of the wording in the legislation. This bolsters Nova's ability and gives them confidence because their interpretation is: "We can't do this. We may be subject to legal action by doing what you're asking us to do, Minister of Energy." I have said to them: "What will it take? How will you feel

comfortable?" We then went to the lawyers and came up with this facility right here.

MS BARRETT: But if you get it solved, Rick, will you commit to bringing in legislation to overturn this Bill?

MR. ORMAN: Mr. Chairman, I can commit to the hon. member that if the issue is solved to the satisfaction of all parties, this legislation is no longer necessary beyond the period of time in 1994 that is designated as the sunset provision in the regulation. I'm willing to make that commitment. [interjections]

AN HON. MEMBER: Did you hear that?

MS BARRETT: I did.

MR. DEPUTY CHAIRMAN: Order please.

The Member for Westlock-Sturgeon is recognized.

MR. TAYLOR: Mr. Chairman, a couple of things are bothering me. The sanctimonious business about standing on principle really bothers me, especially from a descendent of a government – he wasn't in cabinet or even in the House, just enjoying himself running up and down the oiled streets of Calgary. But it was this government that junked the principle of contract way back here in selling gas to California back in the early '70s, when they tore up the contracts when the price was going up. Now that it's going down, for some reason or other we're standing on principle. Well, I suppose that's a good idea. When your ox is being gored, you really start getting high principles and doing a lot of talking. The point is that depending on principle I don't think carries much weight outside the House, or outside of talking to somebody that's younger than 30 years old or something, who doesn't realize that this was the government that broke the principle of the sanctity of the contract in the first place in order to get money for themselves.

5:20

The other thing that bothers me a bit – and the hon. Member for Edmonton-Highlands already touched on it when she mentioned that they asked for diplomatic or legal immunity for the directors of Nova – I have a feeling that the minister must feel that there's going to be some legal action maybe come about because of this method of trying to get the gas price up through the interruptible contracts. I mentioned to the minister already that he had one solution, and that was the five-year minimum contract, but he's also aware that I'm very much in favour of prorationing. I heard him say that he didn't like prorationing, which is another method of getting gas prices up. I'd like to read from the United Press release here a couple of days ago. It says:

Louisiana energy regulators listened to 32 witnesses yesterday testifying whether the state should follow Oklahoma's lead in curtailing natural gas production through prorationing. It goes on to mention:

Opponents of the option, called "prorationing," included large oil and natural gas producers, utilities and industrial consumers. That might be one of the reasons that our hon. member is so worried about prorationing. The large oil and gas companies, the utility companies: we appear to maybe be in bed with them rather than the small Alberta gas producer. This wouldn't be the first time, Mr. Chairman, that the government here, in a fight when it comes to gas and oil contracts, has sided with the high towers of New York and London and The Hague rather than with the small oil and gas producers here.

We go on to read a little bit farther that natural gas pricing in Louisiana had slumped from \$1.20 down to \$1 U.S. Boy, we'd be tickled if we could . . .

MR. DEPUTY CHAIRMAN: Excuse me, hon. member. Just as a request from the Chair, could you identify the document that you're quoting from somewhat extensively and then file it afterwards please?

MR. TAYLOR: I thought I had. It's a United Press story out of Baton Rouge. That means "red stick" for those who are not from Louisiana. I just thought: you know the way it is with enforced bilingualism; I didn't want to stuff it down your throat. But good old boys in Baton Rouge, you know – that's the way they talk.

Anyhow, we go on a little bit farther, that they're down to \$1 a thousand cubic feet. Then we go on a little bit farther in the story. It says that Texas is having a meeting of the Railroad Commission – that's the commission equivalent to our Energy Resources Conservation Board – on April 25 on whether to put in prorationing. What's worrying me here, Mr. Chairman – I'm not trying to say that our minister is Little Lord Fauntleroy getting taken off to the woods and he's going to get skinned or eaten by the wolf or grandma. The point is that the outputs on this continent that export gas – the Louisianas, the Oklahomas, and the Texasas – are talking about interruptible supplies; they're talking about prorationing. That has to concern me a little bit, because I've been in this business a long time, and when those three rascals all start talking about going one way and my government up here is talking about going another way, I've got a hunch who's right. I've got a hunch who's going to be the screwier and the screwiee under this equation, and it's likely going to turn out that he is not going to get what he wants through. The one I'm worried about here is that we're going along on a course of action that is not going to work. If these other three major gas producers in North America are considering prorationing as the way to get gas prices up – and by the way, those that are in favour of prorationing argue quite strongly that all you have to do is cut

back production by 5 percent . . . [interjections] I'm going to keep yelling until the minister can't hear the Member for Vegreville. I'm just going to yell so loud that he can't hear him.

MR. DEPUTY CHAIRMAN: Order in the committee, please. [interjections] Order please.

MR. TAYLOR: The point is that if 5 percent is all they're talking about holding back, then that would keep the market up. I feel that the minister means well but doesn't know enough, and he's being led by the hand by the major producers here into a path that's going to cost the consumers and particularly the small gas and oil producers of Alberta a heck of a lot in the long run.

MR. DEPUTY CHAIRMAN: Hon. Deputy Government House Leader.

MR. GOGO: Mr. Chairman, I move the committee rise and report progress.

[Motion carried]

[Mr. Jonson in the Chair]

MR. MOORE: Mr. Speaker, the Committee of the Whole has had under consideration certain Bills and reports progress on the following: Bill 9.

MR. ACTING DEPUTY SPEAKER: All those in favour of the report by the Member for Lacombe, please say aye.

HON. MEMBERS: Aye.

MR. ACTING DEPUTY SPEAKER: Those opposed, please say no. Carried.

[At 5:27 p.m. the Assembly adjourned to Thursday at 2:30 p.m.]

