

## Legislative Assembly of Alberta

Title: **Wednesday, February 23, 1994**

8:00 p.m.

Date: 94/02/23

[Mr. Speaker in the Chair]

MR. SPEAKER: Please be seated.

head: **Royal Assent**

MR. DAY: Mr. Speaker, His Honour the Honourable the Lieutenant Governor will now attend upon the Assembly.

[The Minister of Energy and the Sergeant-at-Arms left the Chamber to attend the Lieutenant Governor]

[The Mace was draped]

[The Sergeant-at-Arms knocked on the main doors of the Chamber three times]

MR. SPEAKER: Open the doors, please.

[The Associate Sergeant-at-Arms opened the door, and the Sergeant-at-Arms entered]

SERGEANT-AT-ARMS: All rise, please. Mr. Speaker, His Honour the Honourable the Lieutenant Governor awaits.

MR. SPEAKER: Sergeant-at-Arms, admit His Honour the Lieutenant Governor.

[Mr. Speaker left the Chair]

[Preceded by the Sergeant-at-Arms, His Honour the Lieutenant Governor of Alberta, Gordon Towers, and the Minister of Energy entered the Chamber. His Honour took his place upon the throne]

HIS HONOUR: Please be seated.

MR. SPEAKER: May it please Your Honour, the Legislative Assembly has, at its present sitting, passed a certain Bill to which, and in the name of the Legislative Assembly, I respectfully request Your Honour's assent.

CLERK ASSISTANT: Your Honour, the following is the title of the Bill to which Your Honour's assent is prayed: Bill 7, Appropriation (Supplementary Supply) Act, 1994.

[The Lieutenant Governor indicated his assent]

CLERK ASSISTANT: In Her Majesty's name His Honour the Honourable the Lieutenant Governor doth assent to this Bill.

SERGEANT-AT-ARMS: All rise, please.

[Preceded by the Sergeant-at-Arms, the Lieutenant Governor and the Minister of Energy left the Chamber]

[Mr. Speaker took his place in the Chair, and the Mace was uncovered]

MR. SPEAKER: Please be seated.

Would there be consent to revert to the Introduction of Guests?

HON. MEMBERS: Agreed.

MR. SPEAKER: Opposed? Carried.

The hon. Member for Lesser Slave Lake.

head: **Introduction of Guests**

MS CALAHASEN: Thank you, Mr. Speaker. It's truly an honour for me to introduce to you and to members of the Assembly a wonderful young lady who is staying in Edmonton. She has come over tonight to see what happens in this wonderful Legislature and didn't realize that we were having the Lieutenant Governor, so it truly is an honour for her. My niece Andrea Boulet is sitting in the members' gallery. I ask that she stand and be recognized by the Legislative Assembly tonight.

Thank you.

head: **Government Bills and Orders**

head: **Second Reading**

8:10

**Bill 3**

**Natural Gas Marketing Amendment Act, 1994**

MR. SPEAKER: The hon. Member for Pincher Creek-Macleod.

MR. COUTTS: Thank you very much, Mr. Speaker. I am very pleased today to move second reading of Bill 3, the Natural Gas Marketing Amendment Act, 1994.

This Bill authorizes a system of penalties which can be relied upon to provide an incentive for accurate and timely reporting of information for purposes of determining the gas reference price. Such a penalty is more suitable for enforcement of reporting requirements than the current prosecution provisions of the Natural Gas Marketing Act, which generally would only be relied upon in cases of a willful attempt to falsify, mislead, or misrepresent facts in the reporting of the natural reference price information.

Bill 3 also clarifies that officers of a corporation who consent to or participate in offences under the Act for which the corporation is liable may also be liable for prosecution. There are instances when the prosecution cannot be undertaken against a corporation; for example, if the corporation no longer exists. This amendment ensures that officers of the corporation who participate in an offence will not be excused from prosecution solely because circumstances no longer permit prosecution of the corporation.

Bill 3 also provides that the limitation period for prosecution of offences under the Act will be extended from six months to 36 months. Due to the time involved in the initial reporting of the gas reference price information and the consequential auditing of that information, offences under the Act are unlikely to be detected within the existing six-month period.

Mr. Speaker, as indicated, I am pleased to move second reading of Bill 3.

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

MR. DALLA-LONGA: Thank you, Mr. Speaker. I rise to speak in favour of this Bill. I have a couple of small concerns, however. The one concern that I have had I've already discussed with the Minister of Energy, and it is the change from six months to 36 months.

In looking at this Bill again, I'm not certain that the wording is clear. I believe I now know what the intention of the Bill is, but I believe that maybe some attention should be given to the wording, because in my experience with the Income Tax Act it's one thing when legislation is originally drafted, and then when the

Act needs to be carried out, it is another thing. It's not certain what the intention of the legislators was at the time the legislation was drafted.

The 36-month period is, in my understanding, in line with other legislation that the government has and is proposing to bring forward, and it is also in line with many of the statutes in the Income Tax Act.

Reference to timely and accurate reporting is something that we favour, and we know that the oil industry is in favour of it as well. The amount of money that's going to be saved by the oil industry is something that obviously is a benefit to government and to the industry, and therefore we support that as well. I guess one could question with the sort of increase in accuracy and the increase in the timeliness: why does the government need more time to track down offences or errors or omissions in the reporting by the oil industry? But once again, I guess to make everything consistent, we're prepared to live with the 36 months.

Other than that, Mr. Speaker, this is a relatively simple Bill, and I propose no further comments.

Thank you.

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

MR. DICKSON: Thank you, Mr. Speaker. Just following up on the comments of my colleague from Calgary-West. I understand from his comments that there's an effort to try and establish some concordance, some consistency with different statutes, but just as a first principle, I think with any sort of penalty provision it's important that there be a finite time period. The notion of allowing three years for a business to be vulnerable to prosecution strikes me as being excessive. It occurs to me that it creates additional problems in terms of record keeping for businesses. The longer you leave them vulnerable to prosecution, that translates into a business cost. It translates into a business cost in terms of records that have to be maintained, logs that have to be kept for, I think, what seems to be an unseemly or an unreasonable length of time. I still haven't heard an explanation in terms of why 12 months wouldn't be sufficient. I can think of few other examples where a 36-month limitation period exists. It just strikes me as being odd. I wonder whether the contemplated layoffs within the department in some fashion fuel the need to increase the prosecution limit from six to 36 months. I would hope that there'd be some better and further explanation.

The other thing is that when you allow a 36-month period to enable prosecution, it seems to me to be a backdoor way to say that we don't need to have first-class regulatory processes in place, we don't have to have first-class administration in place, because if we can't do the job within 12 months or whatever, we simply allow ourselves three years to be able to find these kinds of errors. I'd sooner see the period reduced and a greater focus put on making sure we have an effective auditing and tracking procedure. That surely is a way of being able to effectively monitor these kinds of concerns on behalf of Alberta taxpayers and citizens.

Thank you.

MR. SPEAKER: Is the Assembly ready for the question?

The hon. Member for Redwater.

MR. N. TAYLOR: Well, I was rather hoping that the sponsor might answer. The thing is, you want to get a whole basket and then . . .

MR. SPEAKER: You know, if he responds – he spoke to it today, and you would have had the chance to speak.

MR. N. TAYLOR: Yeah. [interjection] Well, in the committee stage, I guess. Yeah.

Well, they've already mentioned the 36-month ones, which from a legal point of view, from a business point of view – as a matter of fact, I was in Calgary today signing some gas contracts – 36 months is going to slow up the sale and contract, particularly the sale of assets. In other words, if you buy gas assets from somebody, that thing could be 36 months. You could have three years to come back. In other words, you're buying it from the government, but the hon. minister in her wisdom could come and hit three years from now after you've produced. Some of these gas reserves are only six years anyhow. Some of the wedge-out sands we have west of Edmonton, if they had their way – now that gas production is not prorated anymore, the field depletes in somewhere from three to five years, and if they can come back after three years, it could make it difficult to trade. Well, you could ask any farmer. You sell your cattle, and if the purchaser has three years to come back and complain to you that the cow doesn't get bred or the steer doesn't measure up, it can sure put a crimp in the business. So I don't see why the three years. If my learned legal friends see no reason to it, certainly from a geological engineering and business end it seems ridiculous that a government can come along three years later and say, "You owe money."

The second thing that bothers me is that the Auditor General did mention last year that he had to have better reporting. Well, this again I would like to shoot to the sponsor. Is this the only thing that the government is going to bring forward in amending the gas Act? I thought there was a lot more wrong than just the reporting. I'll admit it's been very sloppy and there haven't been any fines for poor reporting, but the Auditor General was speaking of much more than just accurate reporting. I'm just wondering if the sponsor could put it down to maybe talk about that, too, when it gets time to go into committee stage.

The third thing that bothers me that hasn't been touched on is that the sponsor may well know that royalties for natural gas, unlike oil – traditionally in North America and most of the world you subtract the costs of treating it and cleaning it up so that it can be run to the burner tip, Mr. Speaker. In other words, if there's sulphur or mercaptans in there that you don't want, you can take it out of there and you take that cost of cleaning it up out of the sale price, so you pay royalty on the net. Well, oil is different. You pay the price for oil on the gross and cleaning it up is the buyer's fault, but cleaning up gas so it's usable is the seller's.

8:20

They use a formula called a Jumpingpound formula. They used to call it the Taylor formula, actually, many years ago, because I was one of the ones that founded it, so many years ago. We had the old gas field. Sulphur was a byproduct in those days that you couldn't sell; you had to extend it up. So Jumpingpound, before Shell bought the gas field, was founded by a company called Cities Service. So we worked out a formula, because it was so expensive to clean up gas. That Jumpingpound formula has been around since the early '50s.

That's what I'd like to ask the minister who sponsored the Bill. When you talk about calculating the government's share of the royalty, would the minister or the sponsor enlighten us if they're going to look at the Jumpingpound formula, because the government rarely owns the facilities that clean up the gas. As I said earlier, gas has to be cleaned up usually before it can be sold, and the cost of cleaning it up comes out of the seller's share. The government gets a royalty on the seller's share, so obviously you can see that if there isn't adequate control on the cost of cleaning up the gas, quite often when the gas is cleaned up by the people

that are producing it, the government, if you'll pardon the expression, could get shafted. Now, as a general rule, they don't. The minister nods her head, but I don't think she knows whether they've been shafted or not. I would want to know. Well, you might know if you're shafted, but I'm not sure you know if the government is shafted, Mr. Speaker.

What I want to know from the sponsor or the minister is if they're going to look into this a little bit further to see whether the formula that is used to calculate what the clean gas price should be is going to be looked at, because I have some interests in some gas plants. I have a feeling that the government may be paying more than they should, and they've been quite lenient about it. Now that I'm on the other side of the thing – I'm out there to get as much money as I can for the taxpayers – I'm not sure that this government is as alert as it could be at selling gas. With that, my chance is gone again of ever getting a free meal at the Petroleum Club. Nevertheless, I would like to know if the minister and the sponsor are looking into it further.

So that's the final words I'd say on gas. In other words, you've opened up a very complicated door here, but you look like you just took a little nibble at the cookie. I want to know whether you're going to have a whole meal here.

Thanks.

MR. SPEAKER: The hon. Member for Fort McMurray.

MR. GERMAIN: Thank you very much, Mr. Speaker. There have been some very good ideas expressed here tonight. I'd like to add a few commentaries to those.

The first concern I would have is the issue of double jeopardy. I think it's very important that the government not go after a mosquito with a shotgun and appear to be heavy-handed. Now, my understanding was that the oil and gas industry in this province was composed primarily of honourable people who are self-regulating. In this particular case I understand that the government has some desire to tighten up the arsenal of weaponry that the government has to deal with these issues, but I would point out to the Minister of Energy and to the sponsor of this piece of legislation that the ability to prosecute both a corporation and in the same breath its directors, its officers, and its agents can amount to a form of double jeopardy. I would like to see in this legislation some thought expressed that if the prosecution elects to proceed against the corporation and draws its pint of blood from that particular organization, there may be no need to pursue the other individuals involved.

A smallish point that I have of interest as well to the Minister of Energy is that when I look at the proposed addition to subsection (2), which is the addition to section 24 by adding subsection (3), that section is incapable of time definition, because in my respectful estimation – and I urge all Members of this Legislative Assembly to look hard at that section – the date on which the subject matter of the offence arose is a phraseology that lends itself to at least two possible interpretations. Therefore, if you have two possible interpretations, you may in fact have an extended period of time to which this transaction relates, for which the records have now aged and have now passed into obsolescence and for which the companies involved would not have retained those records.

Lastly, I want to reinforce the commentaries that other members have made that we have a three-year time period to proceed with the prosecution in this particular legislation, in which the penalty can be extremely severe: a \$100,000 fine, Mr. Speaker. This would prevent people from realistically and reasonably destroying any records in this area of the controlled legislation for all time,

because they might receive prudent and cautious advice that it is difficult to determine when the 36 months start and it is difficult to determine how long they should keep these records. Because the penalty is so severe, inadvertently we may have added a burden of regulation to the oil and gas industry that is not warranted by the mischief that the government seeks to prevent.

That concludes my comments on this issue this evening.

MR. SPEAKER: Is the Assembly ready for the question?

The hon. Member for Pincher Creek-Macleod to close debate.

MR. COUTTS: Thank you, Mr. Speaker. I'd just like to address a few of the concerns that have been brought forward by the hon. members. Defaults in providing information, basically, to the Alberta Petroleum Marketing Commission constitute offences that are subject to prosecution and fines, and our proposal is to authorize a system of penalties that can be applied to those prosecutions. The reason for the change is very simple. The natural gas simplification project Act requires submission of information on a regular basis that will be utilized in the determining of the Crown royalty on natural gas. This system of penalties will be more suitable than the current offence provisions except where there's wilful attempt to mislead the government.

Now, there's some concern regarding the limitation period, that it's under six months, and to extend that to 36 months seems to be a major concern. If the hon. members would take a look at present limitation periods that are in place for the Mines and Minerals Act, which is 60 months, and the Petroleum Incentives Program Act, which is an equal five years, I really think that extending this to 36 months would help the government in detecting offences and reporting those offences, would give us a chance to audit and track. So the extra 36 months certainly would be to the benefit of the government in order to make those wrongs right.

So with that, Mr. Speaker, and in response to some of the other concerns that the hon. Member for Redwater had regarding calculation of the royalty share and some of the ways that the natural gas prices are looked at, I think if he just holds on a little bit – we'll talk about Bill 6 here – maybe a little bit later tonight we might have some of those answers for him.

Thank you.

[Motion carried; Bill 3 read a second time]

8:30

Bill 6

### Mines and Minerals Amendment Act, 1994

MR. SPEAKER: The hon. Member for Pincher Creek-Macleod.

MR. COUTTS: Thank you very much, Mr. Speaker. Again I am pleased to rise this evening and to move second reading of Bill 6, the Mines and Minerals Amendment Act, 1994.

To begin with, I would like to discuss the underground storage of minerals. Gas suppliers wish to store natural gas and associated products as a means of balancing their supply to meet contractual demands, to gain higher recovery of reserves due to more efficient production methods, to ensure security of supply, to reduce field production facilities and costs, and most recently as a business opportunity in providing storage capability for third parties.

Storage of natural gas in underground geological formations in Alberta has occurred since 1929, when Canadian Western Natural Gas began injecting solution gas into the Bow Island field to provide a peak supply for the city of Calgary. Since then four other large-scale commercial gas storage operations have been

undertaken, most notably Alberta Energy Company's Suffield operations and the Carbon storage field operated by Canadian Western Natural Gas. Approval for these operations has been granted through specialized Crown agreements and after technical review by the Energy Resources Conservation Board.

Expansion in gas markets and demand for gas have increased industry's interest in storage as a means of reducing costs, securing supply, and achieving market flexibility. This increased interest has made it evident that the granting of storage rights requires a more uniform approach and a sound legal basis. Alberta, along with most jurisdictions in Canada, is now moving to provide this framework. The proposed changes clarify ownership of storage rights by the persons who own corresponding mineral rights. The change also provides a mechanism to dispose of such rights primarily through the consensual mechanism of unit agreements. The provisions of the Act regarding unit agreements are revamped to allow them to be adapted for this purpose.

The second proposed change implements the natural gas royalty simplification project, allowing significant efficiencies in gas royalty collection. The prevailing gas royalty system requires industry to include the Crown's royalty share of gas in the sales negotiated by industry for its own share. Industry then pays the Crown the proceeds of the sale of the royalty share based on the actual sales price obtained.

Since deregulation of gas pricing in the mid-1980s the gas market has become more complex. Many sales are part of sophisticated arrangements involving a large number of buyers, sellers, and intermediaries and occur anywhere from the wellhead to the burner tip. This has made it more difficult to obtain and verify information regarding the price at which gas is sold and to identify the source of supply. For example, in 1990 over 200,000 forms were filed and 250,000 amended in respect of Crown gas royalty in Alberta.

We made a commitment to the people of Alberta to work with industry to develop a simplified administration based on a number of agreements upon principles. That work has now been completed with the assistance of a joint industry/government task force. The Bill amends the Act to implement the recommendations of the task force that include, number one: the Crown's royalty share will be determined using a reference price established by the minister based on actual weighted average industry sale prices. As it is now based on actual prices rather than forecasts, the reference price will not be known until after the month of production. This Bill will allow the minister to announce the reference price for a production month at a later time when the information is available.

Two, the Crown's royalty share will be disposed of to industry at the plant gate rather than at various points of sale from the wellhead all the way to the end market; for example, places like Toronto or California. The Crown will essentially cease to be part of the sales transaction occurring after the plant gate.

The amendment provides for the making of regulations regarding transfer of the Crown's royalty share and for the compensation to be paid to the Crown. The tracking of volumes of gas and products injected into reservoirs as royalty paid and royalty waived and accounting for the production of these volumes will be significantly reduced by implementing a system of injection credits. The credits will be based on the royalty characteristics of the pool gas it's injected into so that the gas can be treated the same as gas native to the pool when it is reproduced. To ensure accurate and timely submission of data to the Crown and the industry participants, the amendment provides for the making of regulations to implement penalties.

In keeping with the timetable agreed to with industry for implementation of the natural gas royalty simplification project, a new natural gas royalty regulation, 1994, was made late last year and became effective January 1, 1994. The new regulation implements the actual working rules of the project, including those contemplated by this legislation. Some features of this regulation are therefore dependent on this legislation for authority. Since the legislation could not be enacted until this session, the Bill also provides for validation of the regulation.

The third change proposed by the Bill facilitates administrative improvements. The requirements for the lessee copy of the agreement to be submitted with the transfer of a Crown mineral agreement and for submission of proof of authority of an attorney or an agent where the transfer is signed by either when such transfers are presented for registration are eliminated. In many cases the lessee cannot locate their copy of the agreement. Attempting to locate or to replace it delays registration of a pending transfer. The powers of attorney or authorization-of-agent documents are also frequently deficient. Again, pending transfers are delayed while industry corrects these deficiencies. Eliminating these requirements will reduce administrative costs and delay not only for industry but for government.

The rules for application of payments received under the Act are moved from the Act itself to the regulations. The current rules do not provide for charging administrative fees and interest on nonroyalty accounts.

Mr. Speaker, as indicated, I am pleased to move second reading of Bill 6, the Mines and Minerals Amendment Act, 1994.

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

MR. DALLA-LONGA: Thank you, Mr. Speaker. I rise to speak in favour of this Bill as well, with a couple of provisions once again. As I understand it, what this Bill does is clarify ownership and facilitate disposition of underground storage rights to provide uniformity and certainty in the development of underground storage facilities, but one of the things that concerns me with the advent of more usage of underground storage facilities is the environmental impact. While it may not be the purview of this particular Bill to assess that, I think that with clearly defining ownership of these underground storage facilities, the environmental aspect may become important.

8:40

The second thing that this Bill does is implement changes in the natural gas royalty collection system as agreed to by industry and government, and a final thing is just repealing some of the administrative requirements for the registration of Crown minerals agreement transfers and to allow updating of application of payment rules.

Now, this Bill largely puts into effect many of the discussions that the Department of Energy has had with the industry over the past number of years with respect to developing a generic policy for underground storage facilities. I guess one of the things I must re-emphasize is the environmental aspect of this. Not being a layperson, I'm concerned that we may start having underground storage facilities all over the place. Farmers might say that their wells are going bad. I worked briefly for the Energy Resources Conservation Board, and I saw all sorts of complaints in this area come out. The minister of the environment isn't here tonight, but I think that somewhere along the line I'd like to hear his comments on this Bill.

AN HON. MEMBER: You can't say that.

MR. DALLA-LONGA: I apologize, Mr. Speaker. When the minister of the environment is available to provide his comments. [interjections]

The Liberal opposition supports the initiatives . . . [interjections]

MR. SPEAKER: Order.

MR. DALLA-LONGA: It sounds like the opposition party over there. [interjection] I guess they finally learned something. It'll take all night if you guys keep this up.

The Liberal opposition supports the initiatives contained within this Bill, and we're pleased that government has consulted extensively with industry. It's extremely important that today's natural gas environment, particularly with the use of direct producer to consumer contract arrangements, be understood by everyone.

On the second issue of royalty gas simplification the Liberal opposition has been extremely supportive, and we feel that reforming some of the complexities that were found within the system was long overdue. We're reselling at the burner tip, the plant gate, down the line. In the discussions I've had with industry, they're happy, and if they're happy, we're happy.

We're pleased that the filings on an annual basis are going to be reduced for industry, substantially reduced I might add, and this is going to lead to cost savings for industry and taxpayers as well.

I'd like to get an update, if I could, as to where we are with the simplification plan and the computerization that was supposed to come into effect January 1, 1994. I understand that June was the next scheduled date. You know, these things take time. If I could have an update on where we are with our computerization scheme, where the consultants are: is June still a viable date?

I guess that would conclude my comments on this Bill. Thank you.

MR. SPEAKER: The hon. Member for Edmonton-Whitemud.

DR. PERCY: Thank you, Mr. Speaker. I think that Bills 3 and 6 make a nice package, and certainly it simplifies the regulatory environment, clarifies some of the pricing roles, and should lead to an increase, then, in revenues accruing to the province. The only reason that I stand to speak is that in looking at Bill 6 – normally I'd talk about something like this at 2 in the morning. It's an arcane economic point, but it's interesting.

If you look at what has been the pricing regime here, the gas cost allowance, which is a deduction allowed the facility owners by the Crown for the gathering, compressing, and processing of the Crown share of natural gas and how it's calculated – it's calculated basically, then, as the corporate average capital costs and deemed operating costs. I've seen formulas used such as this in forestry. It's something called a Rothery formula, and it's basically, in a sense, trying to simplify the regulatory environment. From the perspective of regulators it works well, but one of the interesting things that occurs is that sometimes it generates some perverse incentives, because if you have a very efficient plant, the cost that will be deducted will be the average for the industry. You'll have an efficient plant there whose capital costs are less so they make an incremental profit, which they should if they're more efficient. There has to be some reward in the system for efficiency.

One of the other things that happens, Mr. Speaker, is that in those instances sometimes as well, the industry tends to have a lot of wage inflation because the cost is just passed on to the government in the form of the deduction of the deemed operating

costs, because there's no real constraint. So on one hand, there is a lot of analytical and regulatory ease with such a formula, and I appreciate that very much. That's often why it's chosen in forestry. On the other hand, what it does do is because it allows for both these average capital costs – and you always have a range of firms of different productivities in an industry – you'll then have some firms that will be earning extra profits.

Over and above that is the fact that with these deemed operating costs they can provide then just a mechanism for shifting right on to the government higher wage contracts than would otherwise exist, because from the perspective of firms it's just a flow through. I mean, I certainly support the Bill, but, you know, two or three years down the road if you look at the wage contract settlements in this industry, you may find that they've crept up significantly, and in part it's just this mechanism for allowing these costs to be shifted forward to the government in the form of a lower royalty. It has happened, I know for sure, in forestry in British Columbia.

That concludes my comments, Mr. Speaker.

MR. SPEAKER: Thank you.

The hon. Member for Calgary-Buffalo.

MR. DICKSON: Well, thank you very much, Mr. Speaker. It's clear that the legislation, Bill 6, is a step forward. It's clear that this is a timely response to an energy demand, and I appreciate and respect that. Just two matters, sir, that strike me, give me some concern.

Firstly, if we look at section 26 of Bill 6, the provision there is to validate the natural gas royalty regulation 351/93. Now, I'm not sure I've ever seen in a statute before a statute validating a regulation. Either the regulation was *intra vires*, in which case there is absolutely no need to address it in a statute after the fact, or it was outside the jurisdiction and outside the competence at the time that it was put into effect, on January 1, 1994. I haven't heard an explanation in terms of why section 26 is in here. Just to sum up, if it was properly within the jurisdiction and the authority of the Crown to do in the first instance under the enabling legislation, then section 26 is redundant and would seem to be a silly provision. If in fact there wasn't authority to enact that particular regulation, then surely that should be addressed, and we should have some explanation from the minister in terms of why it's being addressed in that fashion. I've not seen this before in a statute, and I just find it a curious situation.

The other concern I have, Mr. Speaker. If we look at subsection (1)(1.1), there's a provision there in the event of a dispute. This is a new section. If you have a dispute between the minister on the one hand and a lessee on the other, "The question shall be decided by the Minister." Just in terms of first principles, I've never accepted the fact that if you have two parties to an agreement, particularly when one is the government, you would then allow the government to also be the arbiter, to have the last word in determining that dispute. We have set up regulatory agencies and boards, and certainly we have available here an opportunity for a third-party adjudication. Just in terms of first principles, I think it's bad policy when there's a dispute between the minister and an Alberta corporation, an Alberta business, to give the minister the power to determine that. I just think that's bad policy.

Before we finish dealing with Bill 6, I'm hopeful that somebody other than the Minister of Municipal Affairs, who may have a bit of inside information on this, might be able to clarify those two points and address it in a way so that I can understand it from a first principle perspective.

Thank you, Mr. Speaker.

8:50

MR. SPEAKER: The hon. Member for Redwater.  
The hon. Member for Fort McMurray.

MR. GERMAIN: Thank you. I had myself thought that we were going to hear from the Member for Redwater, but we'll have to save that dialogue in abeyance.

Mr. Speaker, if I might comment on this and pick up where my learned friend from Calgary-Buffalo left off, I too felt that (1.1), that is proposed to be added after subsection (1) in M-15 of the Act that we are amending by this legislation, was extremely odd. My sense of its oddness is not reassured by the Minister of Municipal Affairs responding to the Member for Calgary-Buffalo by indicating that that was a perfect – "perfect" I believe was the adjective that was used – approach to dealing with relationships between the government, the ministry, and those people who choose to contract with the minister. Surely there must be some independent arbitrator of disputes when the minister is involved. Now, if the minister was to provide a quasi-judicial function for disputes involving a storage cavern that related to a lessee and a lessor that had nothing to do with the minister but had to do with the owners of those caverns and their rights and their leasing of them, then perhaps there would be some legitimization for the minister having that final judicial or quasi-judicial authority, but paragraph 1.1 to be added to the underlying legislation does jar at the sensitivity somewhat, and I would urge the government to take that in mind when pushing this legislation through.

Now, dealing with the issue that was raised by Calgary-Buffalo, there is a second interpretation of the regulations. That is that if the regulations are not being retroactively validated, then the other interpretation of the proposed addition of subsection (6) after section 37 is that in fact we can affect retroactive relationships that have already been made and formulated out there in the industry; we can affect those relationships retroactively. Again, if we go back to first principles, that is a jarring and incredible concept. It is made more incredible, Mr. Speaker, when we have heard some debate concerning the freedom of information legislation. I know that's not on the floor today. There is a concern about that legislation being retroactive, but there is no similar concern expressed for this particular issue that confronts ourselves this evening.

I also notice that the amendment to section 40 is an interesting amendment, because again it pumps into the hands of the minister vast discretion as to where to apply revenues that are received from the individuals who contract with the government or who are obliged to pay penalties. That amendment takes out of the prescribed legislation and puts the penalties and the application of the funds attracted not in the Act where they are out there boldly and presented in the revised statutes of Alberta for all to see but buries those requirements in the regulations. It seems to me that that is another jarring principle. If this wheel was not broken, why are we fixing it in so many material particulars? Is there a reason that we now have to beef up the minister's regulatory discretion and take away from the loyal Alberta subjects – many of them taxpayers, I might add – the right they have, however rock-strewn the battlefield that the government presents to them, at least to play on a field where they know where the rocks are strewn. That's the commentary I would put there.

I also want to address the House on section 54. We are going to add to section 54 a confirmation that people who have an underground cavern have the property rights in it. Now, that section can't be read alone in this amendment; you have to go back and look at the actual section 54 of the Act. Section 54 of

the Act does permit ERCB approval. There is a requirement for ERCB approval, but there is nothing mentioned in this legislation that deals with the post environmental protection legislation. It is difficult to glean from a reading of this whether you still have to comply with a high environmental standard before you use an underground cavern for the storage of a liquid mineral, as is prescribed in this legislation.

Lastly and curiously, Mr. Speaker, only one section of the Act appears to come into force on proclamation, and I wondered why the rest of the Act would come into force at another time and why we had to have that particular distinction in this legislation.

That concludes, Mr. Speaker, my comments on Bill 6.

MR. SPEAKER: Thank you.

The hon. Member for Sherwood Park.

MR. COLLINGWOOD: Thank you, Mr. Speaker. Just a few comments on this Bill. The issue has come up in debate with respect to the environmental concerns with storage tanks and the storage of these materials. I suppose that while the hon. Member for Fort McMurray did point out that the Act is not clear in terms of responsibilities under the environmental protection legislation of this province, one would certainly conclude from the environmental protection legislation that we have, which is very stringent legislation, and the concept of this legislation that there's clarity as to the rights vesting in the owner of those minerals in those storage caverns, that along with the rights come the responsibilities. So I would suggest that the responsibility for any environmental impact will indeed rest with those who, pursuant to the provisions of this Bill, become the owners of those particular rights.

Just a comment, Mr. Speaker, on section 26 of the Bill, which was raised by the hon. Member for Calgary-Buffalo. That hon. member did raise the question of the peculiarity of validating a particular regulation, regulation 351/93. It's interesting to note section 26, which says that particular regulation "is validated, effective as of January 1, 1994." Now, in the comments made by the hon. Member for Calgary-Buffalo, he has rightly suggested that if there was jurisdiction to pass this regulation previously with the empowering legislation, there is no need to in fact validate a regulation under legislation at this point in time. The question, though, that makes this even more peculiar is: why is it being validated effective as of January 1, 1994? Presumably what that means is that there's a period of time between the actual date that regulation 351/93 comes into force and January 1, 1994. So now we have a hiatus period between the date the regulation comes into force and January 1 of 1994, where the regulation is there but now it's not being validated. So what's the status of the regulation at that point in time?

I ask the question somewhat rhetorically, Mr. Speaker, because I don't know that I need an answer to that question, but what I'm saying is that this is very, very peculiar, why we're now in fact validating past regulations that may not have had any jurisdiction within that regulation to begin with. The question was posed by the hon. Member for Calgary-Buffalo about validating regulations as apparently being precedent-setting, and we on this side of the House would certainly like to hear what the hon. sponsor of the Bill might have to say about that.

Those are my comments, Mr. Speaker.

MR. SPEAKER: The hon. Member for Pincher Creek-Macleod to close debate.

MR. COUTTS: Thank you very much, Mr. Speaker. I'm pleased to see that so many of the members opposite are in

support of a number of the initiatives put forward by this Bill from a standpoint of the cost savings not only for the industry but for government. They've brought forward a number of questions, most of which have to do with environmental concerns, and we'll certainly take those concerns that have been pointed out here this evening under advisement and bring them together under the Committee of the Whole.

The other questions that have come up regarding penalties seem to be another one of the major items that the members opposite were also looking at. We'll also address those at that time.

With respect to the hon. Member for Sherwood Park, the regulations considered before or after the event: definitely we'll bring that one forward during the Committee of the Whole.

With that, Mr. Speaker, I move second reading of Bill 6.

[Motion carried; Bill 6 read a second time]

head: **Consideration of His Honour  
the Lieutenant Governor's Speech**

9:00

Moved by Mr. Friedel:

That an humble address be presented to His Honour the Honourable the Lieutenant Governor as follows:

To His Honour the Honourable Gordon Towers, Lieutenant Governor of the province of Alberta:

We, Her Majesty's most dutiful and loyal subjects, the Legislative Assembly, now assembled, beg leave to thank Your Honour for the gracious speech Your Honour has been pleased to address to us at the opening of the present session.

Moved by Mr. Decore that the motion be amended by the addition of the following words: Since the Klein government has embarked on an education restructuring program without the input or approval of Albertans, it is our duty to respectfully submit to Your Honour that Your Honour's present government does not have the confidence of this House.

[Adjourned debate February 22: Mr. Amery]

MR. SPEAKER: The hon. Member for Lethbridge-West.

MR. DUNFORD: Thank you, Mr. Speaker. In participating in the debate this evening, apparently, technically we should be concerning ourselves about the amendment, but I prefer not to deal with that specifically. I think it was presented in a somewhat mischievous frame, and I would just as soon leave it like that.

I want to refer to the Speech from the Throne, the document itself.

**Point of Order  
Relevance**

MR. COLLINGWOOD: Mr. Speaker, a point of order.

MR. SPEAKER: The hon. Member for Sherwood Park rising on a point of order.

MR. COLLINGWOOD: Thank you, Mr. Speaker. The hon. Member for Lethbridge-West did indicate that he was not prepared this evening to speak to the amendment. I'd suggest, I think as a matter of procedure, that we would have to speak to the amendment rather than speak to the motion.

Thank you, Mr. Speaker.

MR. SPEAKER: The hon. Member for Sherwood Park does raise an interesting point. The hon. Member for Lethbridge-West has to realize that we do have an amendment to the motion for the

address in reply. The rules of the House require that all comments be made towards the matter before the Assembly.

Now, the Chair has not been too onerous on members on both sides of this House in this debate. Nevertheless, the Chair doesn't feel that it can allow the member to proceed on the basis that he is definitely not going to address the motion before the House.

Now the Member for Lethbridge-West.

**Debate Continued**

MR. DUNFORD: Thank you, Mr. Speaker. A rookie mistake apparently. Yes, I'd be very, very pleased to speak at length about the amendment. I'm opposed, of course, to that amendment. In raising the concerns I have with the amendment, I would like, with the kind assistance of the members opposite and certainly yourself, Mr. Speaker, to make some points, then, on the Speech from the Throne.

The first area that I would like to address is in balancing the budget. This is a particular idea where I don't think there's any disagreement within the House regarding that specific point. We have evidence throughout Alberta and I think throughout the campaigns of both the governing party and the opposition party as to how the people of Alberta got on board with the concept and the idea that the budget must be balanced. However, I think it is only in the sense and the manner in which the government then is attempting to do this that we have run into some difficulty.

I'd like to just speak for a moment on why this would happen. When people agree and parties agree, why would we get into so much difficulty as we proceed, then, on our plan to balance that budget? The analogy I would like to draw – and I would draw the Speaker's attention to the fact that I now hold in my hand a plain piece of white paper. We can all see that there's a width and a length and a thickness to that paper. It's three dimensional, and there would be absolutely no dispute, I would think, among all the members in this House that indeed what I do hold in my hand is a piece of white paper. At this particular point in time then, to both parties in this House, indeed to all of the people of Alberta, really we have the universe at our fingertips. We have a clean sheet, and now we can start. But as soon as a point is made on this piece of paper, we find in fact that our universe collapses on us and all of a sudden we are now set off in a direction, and this is where the disagreements come.

Maybe I might explain how that could happen. For example, Mr. Speaker, we might wish to use your initials as the first thing that we would place on this piece of paper. So immediately we are in disagreement, because what do I put on this piece of paper? Do I put SS or do I put MS? If you put MS or SS, all of a sudden we now have two directions in which we might go, and thus we have a situation here in this House, as we've had continually since we came back and heard the Speech from the Throne on February 10, disagreements, misunderstandings as to the direction that the government is taking in terms of balancing the budget.

I would say to all members of the House that while this might be a very simple little demonstration, we really are trying for the same objective. We're trying to get to the same point, and I understand. I understand that the opposition party has a job to do. I understand that that job is to take our job, but given that, I think we should try to focus our differences in a more positive way. I think what we should start to hear, as we have been hearing from the government side, is: "This is what we are doing. This is our plan. This is how we mean to approach it." I would be eternally grateful if I would hear then from the members opposite: "No, government. You are absolutely wrong, but here is what we would do." We need a lot more of that.

MR. N. TAYLOR: We just supported you. We supported you on two Bills tonight. What more do you want? We can't run over and kiss you.

MR. DUNFORD: I want it all, sir. I want it all.

MR. N. TAYLOR: Do you want us running over there to kiss you too?

MR. DUNFORD: We've got you on a roll, so we want it all. [interjections]

MR. SPEAKER: Order.

9:10

MR. DUNFORD: Accepting now that my little analogy has worked, sir, I want to really look at the situation that's detailed in the Speech from the Throne using my own personal experiences from the private sector. One of the things that pleased me as a businessman and really as a citizen in my real life was when this government, prior to the last election, created and passed the Deficit Elimination Act. I thought this was a very courageous move, and it certainly restimulated my interest in politics, because from a business standpoint we understand that we're not going to be in business very long if we are continually running deficits. The cash flow that we require to maintain ourselves is perhaps somewhat different than the ability that a government has to run a deficit, but eventually it catches up, and really it has caught us in 1993 and '94.

I am particularly pleased by the fact that this government is initiating a three-year business plan approach. We live and die in the business community by business plans. There are a lot of cute and perhaps accurate sayings about planning, but the one that I like the best in planning is that we are not trying to predict the future. So when the three-year business plans come out tomorrow, what we're going to have is our view of the next three years. I think it's fair to say – and most reasonable people would I think agree with this – that we know that at the end of those three years we are not going to be exactly right, because we cannot see the future and we cannot predict the future. I believe and why I'm so supportive of the initiative, then, of our government is the fact that I don't think we're going to be far off. I think we see where we have to go, and I think we see the direction that we have to use in taking it. I really believe we're going to be relatively close.

The beauty about a three-year plan is that it's there, and while it might not be exactly like that piece of paper, it certainly is on paper. It is then something real, and it's something that we can use. It's something that we can evolve with. If we find as we're moving toward the future that there are catastrophic events or if there is just a situation where, for whatever reason, we have gone off a degree or two, we at least are in motion toward the future, and then we can steer ourselves and get ourselves back on the right track. My view of planning again is not that you're trying to predict the future, but that you're trying to move toward that future, and I'm very, very pleased to see that this government has finally adopted that manner.

The government says that in job creation they're going to leave it to the private sector, and I support that one hundred percent. During the 13 years that I spent in my own business and the 12 or so years prior to that in the corporate world, we had many, many occasions to view governments that were trying to pick winners and losers. I can recall during the mid-70s that there wasn't a government in this country that wasn't running around with pockets full of money. They were trying to get this started, trying

to get that started. I have no argument with the fact that an economy has to diversify, but the last institution, I guess, that should be responsible for that would be a government. I applaud the good intentions that people had, but we have seen what some of the dramatic results of that have been.

We hear all the time about MagCan and Gainers and that sort of thing, but the NovAtel situation is of some interest, I think, for a Lethbridge member. I'm not so sure about where that might fit now in the Calgary economic structure, but we do have an operating plant of NovAtel in Lethbridge. It's having its ups and downs of course, as all companies are. [interjection] I tell you, Calgary-North West, it's providing tax money and payroll into the city of Lethbridge. Again, I think this should have come along with the use of private-sector initiatives and money instead of the government.

One thing I can't resist noting is a comment that Alberta is a trading province. This gets me on to my favourite topic, which is the export highway. I couldn't stand here this evening and not make a comment about the need for the export highway. I'm very pleased that we had an indication at the Montana/Alberta boundary commission meeting that I attended recently that the export highway, of course, is on the books. There's some development for it, at least east from Fort Macleod to Lethbridge, but I will want to keep up the pressure on my colleague and friend the minister of transportation about how critical that situation is on Highway 4 from Lethbridge to Coutts.

MR. TRYNCHY: I hear you.

MR. DUNFORD: Thank you. He heard me, fellow members.

I was going to make a comment about the Asia initiatives and Mexico, but there are others, I'm sure, that will be able to comment on that better than I.

In terms of trading, I do want to comment about interprovincial trade barriers. For a long time I've had a friend and colleague who has tried his best to operate a ditching business in Lethbridge. He's been able to get some business in Alberta but continually gets undercut by big firms from Ontario that just simply come in and lowball the project and virtually steal the work. Yet when he goes and tries to apply for work in B.C. or Saskatchewan, they always have these premiums for locally based companies. You know, we discuss it; we talk about it. Again, in my former real life I would phone MLAs about it and was never able to get any satisfaction. Having said all that, I still believe in the Alberta position that we have to show leadership in this area, and we cannot start retaliating. We know what we have to do in terms of interprovincial trade barriers, and we have to be the model for the rest of this country.

I'm supportive of what we're trying to do in the health and education areas, but specifically the one area I'm very excited about is the access fund. This \$47 million that's been set aside and allowing now for institutions in a competitive mode to put together proposals and then compete for this money I think is an excellent opportunity for some of our good schools. Now, I know that in the south there is currently an initiative under way between the University of Lethbridge, the Lethbridge Community College, and the Medicine Hat College. I'm hopeful that they will be able to bring this proposal through to its finish and get it submitted and hope that they in fact will be successful.

The interesting thing, however, is that in Lethbridge many of us used to think of the university over on the side of the coulees as one particular institution, the LCC down in the south end of town, and then Medicine Hat was east of us somewhere. We actually find now that with the pressure being on in terms of



budget reductions, there is a lot of co-operation, there is a lot of transferring back and forth between these institutions, and they're now in a position to start to use that experience to then be able to access the access fund. I think this is going to be one of the very positive things that is going to come out of a situation that to many people looks like dire straits. I honestly believe that we will be stronger for this as we go through the budget adjustments.

Of course, what is happening in Lethbridge-West, as in any other constituency that's represented within this House, is that we are having job layoffs. Job layoffs have continued to happen in the private sector for a number of years, and now of course they're happening in the public sector. I'm particularly pleased with the manner in which the Premier has indicated that we will go through the downsizing, and that is the fact that we will not only provide what an employer who has a feeling and a caring for that human resource that he has inside his organization should, but that we'll do it in a fair manner, we'll do what's appropriate, and most of all, Mr. Speaker, we'll do it in a caring fashion.

I'm hoping that I'll be able to become a part of any initiatives, though, that we would get involved in with people who remain within the public service, because I think it's high time that we did introduce these productivity incentives and that we do have programs, then, to recognize excellence and innovation.

9:20

As the Member for Lethbridge-West I've also been given an honour of chairing the Standing Committee on the Alberta Heritage Savings Trust Fund Act and was very pleased with the Premier's statement that there would be a public review of the Alberta heritage savings trust fund. I'm very, very hopeful that members of that committee would actually be on that panel, but if not, certainly the Premier can expect that many of us will be wanting to make our own public presentations, then, as to what we view as the future of that fund.

It came up the other day, and I just want to touch on it. We talked about access to information and protection of privacy. I do recall that when I attended a hearing in Lethbridge, there was a presentation by a couple of the Canada West Foundation people, and I was particularly struck by the juxtaposition of access to information and freedom of information. I came away from that meeting being a strong supporter of the title of freedom of information. I agree with the speaker when he said that access to information – it was almost like we were providing a right to the public, but with freedom of information, then, I think truly we recognize that the public has the right. After all, it is their money that we're using, and it is for their benefit that we are here. So I'm hopeful that when the Bill does come forward, we'll see freedom of information in the title.

I want to close on, again, a note from the Speech from the Throne but a personal experience as recent as Monday evening. We talked in the Speech from the Throne about the volunteer capital of Canada in terms of Alberta. I was at a meeting of a service club, and there had been a mix-up somehow in the program. Where I thought I was to be the speaker, there was a person from the city of Lethbridge that arrived thinking he was to be the speaker, and in true service club fashion they were able to resolve the situation by allowing both of us to speak.

Well, the fellow from the city went first. He was from their leisure and human services area, but what he was wanting to say to this particular service club and of course to other service clubs was that because of the budget restraints that the municipal government was experiencing and about to face, they were going around to the service clubs with a new initiative that involved voluntarism. They had four or five different initiatives that they

wanted to talk to the service club particularly about, and certainly there were things such as volunteers for their meals on wheels, for a lot of the other programs they're trying to provide for the citizens there. There was an adopt-a-coulee situation where they would either provide manpower or provide the resources to go out and clean up one of our wonderful coulees. There was fund-raising. There were various initiatives that these businesspeople, some of whom were public-sector people, could get themselves involved in.

As I sat there and listened to this, I realized that again what was happening was that there was starting to become a synergy that was taking place. You have a situation of where people are looking at a crisis, they start to band together, and they become innovative. They find ways to get themselves through this. I'm sure that this initiative with the city of Lethbridge and with the service clubs in our city is going to become a model that we'll use in the future.

MR. SPEAKER: The hon. Member for Edmonton-Beverly-Belmont.

MR. YANKOWSKY: Thank you, Mr. Speaker. I am pleased to address you and the members of this august Assembly once again, keeping in mind the amendment introduced by the hon. Leader of the Opposition.

Mr. Speaker, as you were so kind to mention, I have the honour to represent the constituency of Edmonton-Beverly-Belmont. This riding is what in popular parlance can be described as a working-class constituency. There are old people, there are young people, there are old neighbourhoods, and there are young neighbourhoods. There are many problems in my constituency, but there are also many people working hard to solve those problems. In short, I have the honour to represent some of the people who made Alberta great.

I also have had the honour granted to me by my colleagues on this side of the Assembly to speak on their behalf for senior citizens. There are no official institutions for seniors in my constituency, but that does not mean that there are no seniors in Edmonton-Beverly-Belmont. Most of the seniors live in their own homes or with their children or have worked out some other satisfactory arrangement. This is not to suggest that institutional care for some people of senior years is out of line. On the contrary, it is often extremely necessary, despite the fact that the Speech from the Throne made surprisingly little reference to that necessity, even though presumably some members across had some input into authoring said speech.

[Mr. Deputy Speaker in the Chair]

Mr. Speaker, there are several more matters about seniors to which I would like to draw your attention before I move to other issues in the Speech from the Throne, issues which do have a relation to seniors but which the public may not instinctively perceive as such. The first of these directly seniors-related matters comes from page 10 of the Speech from the Throne, and I quote the relevant two sentences:

In municipal affairs the government will consolidate 21 statutes and their regulations into a new Municipal Government Act. As well, the Alberta Mortgage and Housing Corporation Act and the Senior Citizens Housing Act will be consolidated into a single statute, which will reflect Albertans' belief that our social housing policy should allow for self-reliance and self-determination, whatever that means.

Mr. Speaker, on the surface it would appear that some of the ideas expressed in that quotation might to some degree describe the situation in my constituency, as I referred to earlier in my

remarks. However, the statement quoted seems to remarkably resemble one of the principles of the so-called New Zealand plan which argues for the implementation of change in quantum leaps. Some members across deny that the New Zealand plan is being implemented in Alberta, a denial which of course brings to mind the often quoted remark about the lady who doth protest too much. Any literate and informed Albertan can easily see that the resemblances – and I stress the plural – between the government agenda and the so-called New Zealand plan are remarkable and are not restricted to the one example I have cited so far.

[Mr. Sohal in the Chair]

Let me point to one other example. When and from whom, Mr. Speaker, did you hear the following phrase: I won't blink? You and I know who said it. You and I know that this spells the effective end of any public participation outside of formal elections in the affairs of this province. This flies in the face of the following sentence from page 11.

**Point of Order  
Questioning a Member**

MR. ACTING DEPUTY SPEAKER: The Minister of Municipal Affairs.

DR. WEST: Would the member entertain a question in debate under *Beauchesne 492*?

MR. YANKOWSKY: No, I won't, Mr. Speaker.

**9:30 Debate Continued**

MR. YANKOWSKY: From page 11 of the Speech from the Throne:

Let all Albertans join together to share ideas for adjustment and renewal and work together to break new ground, to change the way we define government in today's economic realities.

The Speech from the Throne gives lip service to the principle of consultation. How many negative blinks will there be before that principle dies? Seniors are frightened of the future and need reassurance that everything will be all right. Mr. Speaker, in the Speech from the Throne did you see concrete evidence of efforts on the part of members opposite to alleviate that fright and distress? I think not. In the Speech from the Throne did you see concrete evidence that the members opposite want seniors to receive from a grateful society reassurance that their work in building this society has earned them the honourable retirement that they so richly deserve? I think not.

When I was thinking about the comments I would be making today, particularly those in the last moment or so, I was struck by a particular resonance. Most of us on both sides of this Assembly are of an age when we have either lost or anticipate losing from this world a parent, a senior: anchors of our society, anchors of our individual growth, anchors of our spiritual growth, anchors of our vision. We must look, look, and look to find that vision that we are the inheritors of, and we must respect and revere those people who have passed their vision on to us. Is that expressed in the Speech from the Throne? I think not. Cut, cut, cut is now the watchword.

Mr. Speaker, there is a glimmer, actually just a hint of a glimmer that the members opposite may really have a vision, although compassion seems to be sadly lacking on that side. I quote from page 2 of the Speech from the Throne:

As we approach our destination, we can be confident that we are preserving the quality of life that we cherish and building the kind of future that we want for our province and our children.

Very nice, Mr. Speaker, but does that reflect the policies outlined later? I think not.

Mr. Speaker, at this time I wish to paraphrase a well-known figure from the North American milieu, Martin Luther King, who in his now famous speech said, "I have a dream." If Martin Luther King were still alive today and making this speech, he probably would have said something like this: I have a dream of a society that will not allow its elected representatives to impose draconian cuts and massive restructuring on the backs of our children, the elderly, the poor, and the sick; I have a dream that instead of massive cuts and destructive restructuring, we can build a society on the talents and visions of all Albertans young and old alike; I have a dream that the members across will realize that Albertans have that talent and vision and that resorting to foreign schemes is not the answer; I have a dream that one day soon the Lieutenant Governor will realize that some long unused powers of his are still valid and that he will dissolve this Assembly and allow the people of Alberta to elect a government which actually says what it means before it is elected.

Thank you, Mr. Speaker.

MR. COUTTS: Mr. Speaker, I rise to speak to the amendment this evening and also to deliver my maiden speech in this Assembly. [some applause] Thank you very much. I'm not sure who you did that for, but thank you very much, ladies and gentlemen.

Mr. Speaker, the constituency of Pincher Creek-Macleod is a brand-new constituency. It is comprised of territory from the former constituency of Pincher Creek-Crowsnest and the small constituency of Macleod. These constituencies were extremely well represented in this Legislature for nearly 20 years by Mr. Fred Bradley in the Pincher Creek-Crowsnest constituency and by the hon. LeRoy Fjordbotten in the former Macleod constituency. These two fine gentlemen will be missed both in their former ridings as well as in this Assembly as part of our government.

AN HON. MEMBER: You can look after them both.

MR. COUTTS: Thank you.

Mr. Speaker, I am proud to have the dubious privilege of being the first ever MLA for Pincher Creek-Macleod, and I know I have very big shoes to fill in doing so. The citizens of Pincher Creek-Macleod constituency who elected me to serve their interests in this Assembly are undoubtedly excited by the continued priorities of this government as outlined in the throne speech address. They are very proud people with a strong sense of perseverance and tradition.

The constituency is perhaps as diverse as they come, Mr. Speaker. In the eastern portion of Pincher Creek-Macleod the prairie roams as far as the eye can see. This roaming agricultural land is dotted with the towns of Fort Macleod, Claresholm, and the village of Granum. Part of this prairie land is the site of the Peigan Indian reserve, of which the municipal centre is Brocket.

As you may well guess, the major industry in this region of the constituency is agriculture, mostly of the farming variety. The progressive community of Claresholm supplements its strong agricultural base with the Claresholm Care Centre, the Willow Creek auxiliary hospital, and the Lander AADAC centre. At one time the village of Granum had nine elevators, and this community boasts of having two Canadian grain champions, truly a credit to a small village with southern pride.

Mr. Speaker, the Oldman dam, nestled between the prairie and the Porcupine Hills, is the major component of the irrigational requirements of farmers in this otherwise very dry area. The dam has also provided tourists and recreational enthusiasts with an excellent facility for camping and for water sports of all kinds. The Oldman dam has truly been a great asset for my area.

Tourism is the second largest industry in the eastern portion of Pincher Creek-Macleod. Fort Macleod was one of the first settlements established by those that pioneered our province, and the residents of Fort Macleod take that heritage very seriously. They have done much to preserve the past. The actual fort that is the namesake of the town was created under the direction of Col. James Farquharson Macleod and the Royal North-West Mounted Police. They arrived as barriers to the unknown elements of the wild west. A stunning replica of that fort currently serves as a historical museum to those members of the Royal North-West Mounted Police, and that replica is perched atop the Oldman River Valley and is open nearly every day for tourists not only from Alberta but from the world to enjoy.

After his tenure with the North-West Mounted Police, Col. Macleod became a circuit court magistrate for the territory. When the Legislature was established in 1888, Col. Macleod was appointed as one of the three nonvoting legal advisers to that Assembly. The mark he made on the early history of our province will not soon be forgotten in the community that bears his name.

#### 9:40

Fort Macleod is the site of the pilot program for Alberta's Mainstreet initiative. Through this program many of the old buildings and the houses not only on the main street but within the town are being restored to carry on the tradition of our pioneers when they settled this area, the most notable being the historic Empress Theatre. This initiative continues today not only in the town of Fort Macleod but in similar Mainstreet programs that are evident in my constituency: the towns of Claresholm, Coleman, Blairmore, and Bellevue. Now in 1995 and 1996 the economic development council of the town of Pincher Creek will be planning their own Mainstreet program.

Mr. Speaker, I mentioned earlier that we have the distinction of having the Peigan Nation among us. Many of the natives retain their cultural heritage, and part of that is embodied in the famous Head-Smashed-In Buffalo Jump. The buffalo was the centrepiece in the lives of the Peigan, and the animal took on a quasi-spiritual connotation in their lives. They were masters at making do with what they had. This trait has also been learned by the white settlers, all the way through to the current inhabitants of this area. The constituency is not as blessed with the abundance of natural resources and fertile land that others enjoy, so this idea of being able to survive on less than the natives so artfully mastered is a source of pride to the residents of Pincher Creek-Macleod.

As you move further west to the centre of the constituency, you encounter the beautiful foothills region of southern Alberta. In the foothills the rolling countryside is punctuated by the townships of Pincher Creek and the villages of Twin Butte, Cowley, Lundbreck, and Burmis and encompasses improvement district No. 6. Two of the most beautiful and most photographed areas in Alberta today are in this region. They are Lundbreck Falls, that spills icy mountain water from the Crowsnest River, and then just a few kilometres west the very unique Burmis tree standing in the shadow of Turtle Mountain and the ever present Crowsnest Mountain.

Again, agriculture, in particular ranching, plays a dominant role in the economic livelihood of the foothills region. However, there are large natural gas reserves in the Pincher Creek area, and the

surrounding area is reaping the benefits of this valuable natural resource. Cowley and Burmis are home to strong forestry businesses that complement a very strong and very active and very proud livestock industry.

The foothills region also boasts a unique energy reserve. Anyone who has visited the Pincher Creek area knows of the mighty power of the winds, especially during the winter, when the warm chinook winds give southern Alberta temporary relief from the chill of winter. Some very innovative and creative minds set out to harness that power, and the result was the southwestern Alberta renewable energy initiative. A major component of this program is Canada's first and largest wind farm, existing there today on the Cowley ridge, where 52 turbines are constructed and maintained and completely financed by the private sector. This project was established by the former Energy minister Rick Orman in 1989 under the small power research and development program. Three million dollars were allocated to this program, which sells electricity to power companies such as TransAlta Utilities. Mr. Speaker, my constituents are very proud of this research and development initiative and this energy source.

On the western fringe of the Pincher Creek-Macleod constituency are the magnificent Rocky Mountains, Mr. Speaker. Here the Crowsnest Pass, the third largest municipal district in Alberta, is nestled amongst the imposing if not intimidating mountains. When I say intimidating, I have the town of Frank in mind. Early one morning back in 1903, before Alberta even had provincehood status in Confederation, the community of Frank was almost entirely destroyed. The whole northern face of Turtle Mountain crumbled into the valley below and buried the town while its inhabitants slept. Almost all of the Frank residents were killed in this tragic natural disaster. However, in a true showing of Crowsnest Pass perseverance, the few that survived helped rebuild the community around the perimeter of the rubble, and Frank is alive and well today. If you travel through the Crowsnest Pass on Highway 3 west, you will see the miles of fallen rock, many of which will be considerably larger than the car that you will be driving in.

Mr. Speaker, the pain of the Frank slide was still fresh in the minds of the citizens of Crowsnest Pass when another disaster struck in the town of Hillcrest, which is right next door to the town of Frank. On June 19, 1914, 189 men were killed when an explosion collapsed the Hillcrest coal mine. This ranks as the all-time worst mining disaster in Canadian history. The 80th anniversary of this tragedy will be recognized this spring by a weekend of activities planned by the Frank Slide Interpretive Centre. The centre is a historical society that is dedicated to preserving the storied heritage of the Crowsnest region and serves as an excellent information body for tourists and history buffs.

Very few communities have had to deal with the immense amount of tragedy that the people of Crowsnest have. If anything bright came out of their misfortune, it is that they've developed an incredible resiliency. They learned to deal with hardship, and this is perhaps the most valuable trait that they have passed on to their children. It is a trait that is abundantly manifested in the Crowsnest Pass to this day, and as their representative I am very proud of them and of the things they do.

The economy of the Crowsnest Pass is based on mining of mineral resources, most of which is coal. As the world has moved away from coal in favour of cleaner burning fuels, the miners have fallen on hard times. Forestry has provided some relief from the hardship that many of the people are facing, and I am sure that the perseverance that aided their ancestors to rebuild the towns of Frank and Hillcrest will carry them through. This tenacity, combined with our government's commitment to

follow up on our Seizing Opportunity initiatives, will ensure that these resourceful people will be able to hold their heads high.

Lest you think my constituents are all-work and no-play types, Mr. Speaker, we enjoy a wide variety of recreational pursuits also. South and slightly east of the Crowsnest Pass is the beautiful Beauvais Lake provincial park and the Westcastle park ski resort. This picturesque area abounds with avid fishermen, hunters, and snowmobilers. Area residents take full advantage of the great outdoors that virtually lies in their backyards.

Mr. Speaker, that is the constituency that I grew up in, and I am proud to represent the people of Pincher Creek-Macleod in this Legislature. Many of the MLAs who caught your eye before me to give their maiden speech have boasted how beautiful their home constituency is. Now, I do not wish to argue that point with any of them, but I do want to do them one better by saying that while their constituencies are beautiful, mine is absolutely breathtaking.

MR. CLEGG: We send a lot of money down there.

9:50

MR. COUTTS: The scenery looks after itself, hon. member.

Mr. Speaker, one of the dominating themes that I came across on the campaign trail was that government has to get its financial house in order. I am confident that the people of Pincher Creek-Macleod will be impressed by the fact that this government has placed that endeavour still on the top of its list of priorities, as indicated in the Hon. Lieutenant Governor's Speech from the Throne. They can breathe a little easier for the future of their children when they consider that this government is bound by legislation to do away with the consolidated deficit in four years by means of the Deficit Elimination Act.

Throughout the 1970s and the first half of the 1980s Alberta was absolutely bursting with prosperity. Then many things combined to slow us down somewhat, but government continued to spend money as though we were still living in the boom years. Mr. Speaker, I do not want my children to have to pay the consequences of the greed and the self-indulgence of my generation. Before this government went to the polls in the last provincial election, it outlined the Deficit Elimination Act for all Albertans to evaluate. When they re-elected this government, they declared their support for that plan. Albertans like this plan because it does not involve increased taxes or a sales tax.

Our agenda involves a streamlining of government and, with that, eliminating services and agencies that duplicate one another. The plan also involves cutting government spending, and this is the part that is most difficult to do. It requires that the government evaluate what services and programs are absolutely essential. This government's second throne speech indicates that we will continue to stay on the course, and this is something that the people of Pincher Creek-Macleod are pleased to acknowledge.

This government has revitalized the notion that the role of government is to stay out of people's lives as much as possible. We are looking at those areas which government belongs in and areas which belong in the private sector. The citizens of Alberta are a proud lot, and they do not want government being an overly paternalistic nuisance that has to continually wipe their noses for them. They want government to be lean and effective in areas that are necessary, but they don't want government to be on their backs in areas where they do not belong. This sentiment is not new, Mr. Speaker; it has just gotten a little diluted over the years.

It makes me think back to the pioneer days of Alberta, before there actually was an Alberta, when a great political mind came west from Ontario to hang his shingle in my hometown of Fort Macleod. His name was Sir Frederick Haultain, and he came to

Fort Macleod by way of Calgary at the end of the 19th century. Upon his arrival he set up a one-room, log cabin law office and was soon open for business. Mr. Speaker, that log cabin is still standing to this day in my hometown. From there he went on to be one of the most renowned legislators of the western territories in all of Canadian history. His reputation as a proponent of regional sovereignty from the central government in Ottawa is well known. Sir Frederick Haultain was of the simple opinion that government should allow the people to look after themselves where possible. He often was quoted as saying that a man must try to live up to the Haultain family motto: he who commands himself commands enough.

I believe now, as he did then, that the role of government is merely to provide an environment where men, women, and children can do just that: command themselves. Part of that environment is a well-educated society, Mr. Speaker. Almost 25 percent of the people in Pincher Creek-Macleod constituency are children under the age of 15. That they can grow up to be intelligent, well-adjusted, and thoughtful people is of very pressing concern to me. However, this does not mean that we as government must pump increasingly larger amounts of money into the coffers of our school boards. Our schools don't need fancy frills and extras to produce sharp young minds. What they need to do is to get back to the basic fundamentals of a good, sound education.

MR. ACTING DEPUTY SPEAKER: The hon. Member for Sherwood Park.

MR. COLLINGWOOD: Thank you, Mr. Speaker. I, too, am very pleased to rise and join the debate on the throne speech, and I rise in support of the amendment put forward by the hon. Member for Edmonton-Glengarry, the Leader of the Opposition.

Mr. Speaker, just a comment. My thanks to the hon. Member for Pincher Creek-Macleod for taking us away from this Assembly for a few moments and reminding us of the grandeur of the area of the province that he represents. I had the good fortune of having been down into the hon. member's area not long ago and can certainly concur entirely with his very eloquent description of the southwestern region of the province of Alberta.

Before I comment specifically on the throne speech debate, I have to recall that the hon. Member for Peace River felt that it was necessary in moving the throne speech to once again raise the issue of this hon. member having left the Assembly while the throne speech was being read. Now, Mr. Speaker, we've had that debate in this Assembly, and at that time I offered an apology to this Assembly. I assume that when I offer an apology in this Assembly a gentleman accepts that apology without further comment. I also expect that in the time that was made available to him, he had ample opportunity to edit his prewritten notes. Given the fact that the hon. Member for Peace River chose not to edit his notes and chose not to accept my apology without further comment in this Assembly, perhaps I might conclude something different as to his gentlemanly conduct.

Having left that, I'd like to move now to my response to the Speech from the Throne. I'd like to start in my response to the throne speech with some statements that are contained in the throne speech under the sidebar "A vision for Alberta." The Premier and his colleagues aim for a time in our future where, according to page 10,

Albertans will have a province where government lives within its means, where people are unencumbered by red tape and excessive taxes.

Mr. Speaker, my constituents in Sherwood Park and I thought that's what we were getting all along. My constituents didn't

realize that in the late 1980s and the 1990s our province was being mismanaged by incompetent governments whose ministers were more concerned with pensions and patronage than they were with balancing the budget. We didn't realize that it took a new approach to government to use realistic revenue projections when setting the budget. My constituents didn't realize that government members, including the current Premier, didn't understand the meaning of fiscal responsibility. We just assumed that our governments were doing what they were elected to do and doing it in a responsible fashion.

This throne speech like the one before it seems to imply in its gloss over the subject that our \$30 billion accumulated debt and our yearly deficits of over 2 and a half billion dollars were simply unavoidable. Hardly, Mr. Speaker. Alberta's debt and deficit was the sole and direct work of Conservative mismanagers who deserve a P plus, P meaning pathetic, for their efforts. The current Premier prefers to say that that was then and this is now to have Albertans forget the unpleasantness of past indiscretions and to now place their full trust in him and his new managers. Sadly, nothing in this throne speech instills confidence in Albertans to do that. Our current Premier cannot escape from the fact that what we are about to endure is a direct result and consequence of his colleagues' mismanagement.

#### 10:00

The throne speech, Mr. Speaker, is classic Conservative rhetoric. The focus is of course on money, not people. Government is now business, complete with business plans. Prosperity is and will be measured in quantity of dollars, not quality of life. The people who own this province and who have entrusted it to us are no longer its citizens; they are now the government's customers. The young, the sick, the infirm, the elderly, the disadvantaged, the disenfranchised: they are no longer neighbours; they are now customers of the government.

As with all business, Mr. Speaker, there are the ordinary customers who receive adequate service or not depending on whether the proprietor wants their business. Then there's the preferred customers, those who always receive the preferential selection and service. So the question is: will government as a business select its preferred customers and provide adequate service to the rest? Will the preferred customers be those who carry the card, the right card? One wonders.

The idea of restructuring government to eliminate waste and duplication has now given way to privatization, the privatization of anything and everything regardless of whether it is a benefit or a burden or whether it should or should not remain in the public domain.

The loss of hundreds of millions of dollars of revenue in the bungled ALCB privatization is our best example so far of privatization solely for the sake of privatization. While the government has now abandoned its figure of 110,000 new jobs to be created in the private sector, it continues to talk the talk rather than walk the walk when it comes to jobs. We are told in the throne speech that 35,400 jobs were added in Alberta when in fact Statistics Canada figures show a reduction in the number of jobs in Alberta by 29,000 since the Premier announced his new job projections last May. Mr. Speaker, you just can't backdate reality.

Speaking of reality, the new reality in the government's domestic job creation strategy according to the throne speech will be our participation in the national infrastructure program the Deputy Premier announced today. Mr. Speaker, sadly that is the entire package of job creation in the domestic strategy for this government. The only job creation strategy that we have in this throne speech is the piggyback of the national infrastructure

brought forward by the federal Liberal government. There are no other initiatives for job creation in this throne speech.

Mr. Speaker, the new international job-creation strategy, again as outlined in the throne speech, is based on the notion – and here I quote from the throne speech:

government . . . has a role to play in helping private industry identify and pursue new opportunities, especially in the international market.

This statement is nonsense. Any business or industry worthy of an international reputation has already been active in international markets for years or is already pursuing these markets or is active in the capital markets seeking opportunities for expansion. Only a politician out of touch with reality would suggest that business needs the help of government to make money. What have our trade offices been doing in this area for the last number of years? Aren't they there to pursue international trade opportunities? Now instead of one costly, worthless international trade initiative we are about to embark upon several.

At first glance, Mr. Speaker, this international job creation strategy looks more like an international get out of town strategy. The essence of each of the programs, whether it is the Global Business Plan, the Asia Pacific business strategy, the Mexico trade and tourism strategy, or the hot-lead investor program, appears in the throne speech at least to be as fluffy as the clouds various ministers will be winging through on their way to business beckons bashes. Let's just remind Albertans that they're the ones footing the bill for all this hard work.

When you look at the throne speech, that's it for job security. There is no security. There is no certainty. There is no hope. This is what Albertans are to believe is the so-called plan to greater prosperity. If the government was serious about creating a proper climate for business and jobs, it would get out of the business of being in business once and for all, it would stop interfering with business that just wants straightforward rules and a level playing field, and it would concentrate on building an Alberta that is safe and secure for all its citizens. This approach requires a throne speech that shows a commitment to streamlining government and to re-evaluating priorities, not a throne speech that reminds one of the song *The Happy Wanderer*. In simple language, Mr. Speaker, Albertans are fed up with the fluff. They just want their elected representatives, regardless of the side of the House they sit on, to get together, roll up their sleeves, and get on with the job.

Mr. Speaker, as this government copes with the legacy of past lousy governments, it has responded by launching a full frontal attack on public education. It appears from the throne speech that this government has decided to seize control of all decision-making in education. In time the government will likely appoint all school superintendents and all school trustees. No decisions will be made at the local level, and more importantly for this government no opposing views will have to be endured or tolerated. This government has also decided to seize control of all education funding and to disburse those funds around the province as they see fit. Where there was once accountability for education spending at the local level, that accountability will now be the same as it was for NovAtel and Gainers. This government's indecent assault on our public education system, justified by a paper-thin veneer of newly discovered fiscal responsibilityism, is an outrage. There is no mandate from the people of Alberta to seize opportunities by seizing public education. I am confident that many more Albertans will join the voices of those who are now demanding a rethinking of this incredible policy.

Finally, Mr. Speaker, I note that this government's agenda according to the throne speech isn't about 1994 or 1995; it's about our tomorrows. Those intangibles that people need most from

their elected representatives – things like hope, stability, certainty, security – have all been put off by this government until sometime tomorrow. The fact is that under this agenda there never will be any certainty or security or hope for Albertans today, tomorrow, or ever. Why? Because government is not business, and citizens are not customers. It's as simple as that. We know it, and the people of Alberta know it too. Because I can stand here and say to Albertans that I know the agenda will not work and, more importantly, I know why the agenda will not work, I and my colleagues on this side of the Assembly can offer Albertans more certainty, more stability, more security, and more hope than any member opposite will ever be able to offer. For me and my colleagues it's a wonderful feeling to know that we can relate and respond to Albertans where members opposite cannot because of the agenda that they have adopted.

**10:10**

Mr. Speaker, the throne speech as much as says that the government has and will abandon Albertans for at least the next two years. We on this side will not abandon Albertans, but the statement about abandoning Albertans clearly demonstrates the validity of the nonconfidence motion put forward by the Leader of the Opposition. I urge all members to support that motion.

Thank you.

MR. DAY: Mr. Speaker, I'd like to spend the next 20 minutes or so referring to the throne speech, but I won't because of the hour.

[At 10:12 p.m. the Assembly adjourned to Thursday at 1:30 p.m.]