

Legislative Assembly of Alberta**Title: Thursday, March 26, 1998 1:30 p.m.**

Date: 98/03/26

[The Speaker in the chair]

head: **Prayers**

THE SPEAKER: Good afternoon. Let us pray.

O Lord, we thank You for the rich resources of our community, our province, and our country.

Grant us wisdom in our deliberations and divine guidance in all our considerations.

Amen.

Please be seated.

head: **Introduction of Visitors**

THE SPEAKER: The hon. Deputy Speaker.

MR. TANNAS: Thank you, Mr. Speaker. On your behalf I'd like to introduce through you His Excellency Vasily Fillipov, Speaker and Chairman of the House of the Republic of Sakha, Republic of Yakutia. Hon. members will be interested to note that Yakutia is only 3.1 million square kilometres, which of course is about five times the size of Alberta. This afternoon our Premier and the president of Sakha are going to be signing a memorandum of understanding for further co-operation between Alberta and Sakha.

His Excellency is seated in your gallery this afternoon, Mr. Speaker, and I would ask him to please rise and receive the warm traditional welcome of this Assembly.

head: **Presenting Petitions**

MS KRYCZKA: Mr. Speaker, I beg leave to introduce a petition signed by 260 residents of Calgary and the surrounding area regarding Bill 29, the Medical Profession Amendment Act, 1997.

head: **Reading and Receiving Petitions**

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

DR. PANNU: Thank you, Mr. Speaker. I rise to request that the petition I presented yesterday be read and received.

THE CLERK:

We, the undersigned, members of the medical profession and our patients, being residents of the Province of Alberta and of the age of majority, hereby Petition the Legislative Assembly to urge the Government of Alberta to refrain from bringing forth to the Legislature for debate and vote thereon a bill that was presented in the last session of the Legislature at its last sitting as Bill 29, ie. The Medical Professions Amendment Act of 1997.

head: **Presenting Reports by
head: Standing and Special Committees**

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

MR. PHAM: Thank you, Mr. Speaker. As chairman of the Standing Committee on the Alberta Heritage Savings Trust Fund I would like to table the 1997 report of the Standing Committee on the Alberta Heritage Savings Trust Fund.

head: **Introduction of Bills**

THE SPEAKER: The hon. Member for Medicine Hat.

Bill 36**Credit Union Amendment Act, 1998**

MR. RENNER: Thank you, Mr. Speaker. I beg leave to introduce a bill being the Credit Union Amendment Act, 1998.

[Leave granted; Bill 36 read a first time]

THE SPEAKER: The hon. Government House Leader.

MR. HAVELOCK: Yes. Thank you, Mr. Speaker. I move that Bill 36 be moved onto the Order Paper under Government Bills and Orders.

[Motion carried]

head: **Tabling Returns and Reports**

MRS. McCLELLAN: Mr. Speaker, I'm pleased to file an information bulletin on Information Rights Week, 1998, which is from March 30 to April 3. This designated week was initiated by the Canadian Library Association to create awareness of a citizen's rights to information and protection of privacy.

I'm also pleased to file a letter of congratulations to the Team Alberta North mission staff members for their work on the 1998 Arctic Winter Games.

MR. DAY: Mr. Speaker, in the ongoing spirit of openness and accountability I'm happy to table the responses to written questions 47, 48, and 49.

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

MR. SAPERS: Thank you very much, Mr. Speaker. I'd like to table five copies of a letter with the Assembly. The letter is from the Canadian Mental Health Association, Alberta north-central region, to all stakeholders involved in mental health services in the Capital region. The subject of the letter is the closure of the Friday Friendship Day drop-in program, which serves mental health consumers, being closed because of lack of funding.

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

MR. MacDONALD: Thank you, Mr. Speaker. I have two tablings this afternoon. The first one is from the city of Calgary and Statistics Canada regarding the decrease in the disposable income of Calgarians.

The second tabling this afternoon is from the Calgary regional health authority and Statistics Canada, and it indicates that almost one-quarter of seniors and parents do not have enough money in that city to buy food sufficient to their needs.

Thank you.

MR. DICKSON: Mr. Speaker, I have two tablings this afternoon. The first one is page 12 from the September 8, 1997, edition of *Alberta Report* on the Premier's comments and use of the notwithstanding clause.

The second item is a report from the Alliance for Public Accountability, which sets out a series of requirements for a renewed blood system in the nation.

head: **Introduction of Guests**

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

MRS. SOETAERT: Thank you very much, Mr. Speaker. I have three different introductions today that I'm honoured to give. The first is on behalf of the Member for Edmonton-Norwood. She has the Princeton elementary school here today. They are here with their teacher, Mr. Lyle Jubenville; the interpreter, Ms Ruth Kletke; and a parent, Mrs. Leslie Tanzi. I would ask them to please rise and receive the warm welcome of the Assembly.

I am also fortunate, Mr. Speaker, to have a class here from Living Waters Christian Academy in my riding. There are 26 visitors. They are in the members' gallery. They are here with their teachers, Mr. Dave McNeil and Miss Vicki Jeffrey, and I would ask them to please rise and receive the warm welcome of the Assembly.

My final introduction is several Peace River and Athabasca area farmers. They are here today to meet with the minister of agriculture about their concerns about suffering from two very wet years. Some of the farmers are Kit Fearon, Philip Shoendorfer, Larry and Gail Congo, Karst Aardema, Maggie Travis, Russell Lacusta, Charles Jenkins, and Sherry and Charles Blake. I believe there are others in the gallery as well. I would ask them to please rise and receive the warm welcome of this Assembly.

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

MR. MacDONALD: Thank you, Mr. Speaker. I would like to introduce to you and through you to all members of this Assembly Ms Joan MacPhee. Ms MacPhee and I went to school together; we were classmates. She is a resident of the Ottewell neighbourhood in my constituency. She is presently employed in the health services industry. I would ask her to please rise – she's in the public gallery – and receive the warm and traditional welcome of this House.

THE SPEAKER: The hon. Member for Redwater.

MR. BRODA: Thank you, Mr. Speaker. It gives me great pleasure to introduce to you and through you to this Assembly members of the long-term care policy advisory committee to the Health minister, which I chair. They are Carl Bond, Jean Graham, Mary Engelmann, Dr. Peter McCracken, Doug Schindeler, Evelyn Buckley, and Paulette Patterson. Also on the committee is my colleague from Calgary-West. Also included are Bruce Finlayson, Dr. Darryl Rolfson, Vivien Lai, and Carroll Thorowsky, who are our resource people. They are seated in the members' gallery, and I would ask them to please rise and receive the warm welcome of this Assembly.

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

MR. STELMACH: Well, thank you, Mr. Speaker. It gives me great pleasure to introduce to you and through you to Members of the Legislative Assembly three visitors who are seated in the members' gallery: Ms Helen Jackson from Tofield, who is a regular watcher of question period, accompanied by her granddaughter, Olysha Comaniuk, also from Tofield, and granddaughter-in-law, Laurie Willis from Fort Saskatchewan. I would ask them to please rise and receive the usual warm welcome of this House.

1:40

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

DR. PANNU: Thank you, Mr. Speaker. I would like to introduce to you and to all members of this Assembly 27 young scholars from the Windsor Park elementary school near my residence. They are accompanied by their teacher, Anna Gustafson, and five parents: Fran Schuller, Susan Lang, Sheila Greer, Tim Johnson, and Susan Adam. I would ask the visitors to stand and receive the warm welcome of this Assembly.

head: **Oral Question Period**

THE SPEAKER: The hon. Leader of the Official Opposition.

Electric Utilities Deregulation

MR. MITCHELL: Mr. Speaker, thank you very much. Some very significant people are raising reasonable and obvious questions about this government's deregulation of the electric industry. Ron Southern of ATCO has written an extensive letter to the Premier:

The [Energy] Department's present position is the embodiment of inflexible resolution in their determination to ram this unfair and unjust scheme through the legislature on a poorly informed public.

Moreover many mayors in this province have already indicated in writing their concern that customers will not receive the full benefits to which they are entitled. To the Premier: in the face of this kind of input, why won't the Premier simply delay this bill until the fall session so that stakeholders have a chance to become fully informed and have their input on this matter?

MR. KLEIN: Mr. Speaker, if there is one thing for sure relative to any piece of legislation, that is that the adage stands true that you can't please all the people all the time. I tabled a letter yesterday from another power company, a company that generates about 63 percent of the power in this province, where the author of the letter indicated that they were fully onside with the legislation. So it's not a matter of choosing sides; it's a matter of reaching compromise. That's what the minister has been trying to do.

Relative to public consultation I will tell this hon. member what I told the hon. Member for Edmonton-Strathcona yesterday, that there have been four years of public consultation on this issue. First of all, all parties have agreed to the principle that deregulation is the right thing to do. On how you go about it, of course, there is some disagreement, and there will be some disagreement. As I said, you can't please all the people all the time.

Relative to further details with respect to Mr. Southern's letters, I'll have the hon. minister supplement.

THE SPEAKER: I think that we'll just move on so that we do not use the question period for debate on a bill that's up this afternoon, as I understand it.

MR. MITCHELL: Thank you, Mr. Speaker. Why does the government take the position that a delay in this legislation will cause brownouts when Ron Southern states that brownouts "will be due to the 1995 legislation which prevents TransAlta and Alberta Power – by law – from building any new Generation" plants? That's misinformation.

MR. KLEIN: Mr. Speaker, this is an argument put forward by one of the power producers in this province, and I would think that the time to make that argument, if the hon. member wishes to make it on behalf of Mr. Southern, would be during debate on the legislation.

MR. MITCHELL: Since consumers paid for these plants and therefore have a right to receive full value for these plants, what does the Premier say to Albertans and to Mr. Southern, who writes in his letter that he has

been perplexed by "why, in prudence, any Minister of the Crown would not introduce legislation to enshrine [consumer] protection for its Citizens?"

DR. WEST: Mr. Speaker, that is absolutely what we've done in Bill 27. In fact, the full force of Bill 27 is to enshrine consumer choice and consumer protection by putting in the checks and balances through the appointment of such things as transmission administrators, who will ensure that there is no undue use or misrepresentation of the lines in the grid in the province of Alberta, by putting in a power pool council, which will ensure that the lights never go out in the province of Alberta, and also by putting in a market surveillance administrator, who will ensure that companies such as Alberta Power or TransAlta or EPCOR or any other company in the province do not unfairly use the system for a market advantage over the other.

The things presented today were on behalf of one company. I do not criticize a company for taking strong positions, because they are shareholder companies in this province that are moving from a regulated system, where they were under a controlled system, to a full market-driven, competitive system. Each one of them will posture themselves and take certain orchestrations of certain events to position themselves for a highly competitive market, and I give them full marks for that.

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

Hepatitis-tainted Blood

MR. DICKSON: Thank you Mr. Speaker. The long-awaited compensation package for Albertans who received hepatitis C through tainted blood has now been finalized. Governments are proposing compensation since it was largely due to government negligence that people became infected in the first place. Many tainted blood victims will die; many more will suffer serious health problems. My question this afternoon is to the Minister of Health. Given the Krever inquiry recommendation that "compensating some needy sufferers and not others cannot, in my opinion, be justified," how can this government limit compensation to only about 50 percent of those infected?

MR. JONSON: Mr. Speaker, I think that first of all it is very important to recognize that certainly we have looked at the Krever report very carefully as provincial and territorial governments along with the federal government, and we are following through in this package with the recommendations and findings of the Krever report.

Mr. Speaker, in the Krever report it is indicated that because there was a test known as surrogate testing in the United States available in some states during the period 1986 to 1990, Justice Krever felt that this group of people, this cohort of people, should be eligible for some type of compensation package, some recognition of that particular situation. That is what we have followed

through on as provincial and territorial ministers in conjunction with the federal government in working out the compensation package, which was being announced today.

Mr. Speaker, I also think it's important to note that across this country, provincial and territorial governments have provided through their public health care systems the necessary medical coverage and treatment for those that have been severely affected by this particular condition. In addition, in cases where income support has been necessary, that has been provided as well. So I think there has been a very major effort made to respond to Justice Krever's findings in this particular case.

MR. DICKSON: Mr. Speaker, if the minister is going to use the date when surrogate testing became available, why wouldn't he roll it back to 1979, when there was extensive use of a surrogate test in Europe?

MR. JONSON: Well, Mr. Speaker, I think that we have had in the form of the Krever inquiry one of the most lengthy, most thorough examinations of the overall blood system and blood questions in this nation. This report is something that all governments are taking very seriously. It is the findings of that report that we are following through on, and I think is what is expected across Canada. To now make an argument about some other test in some other country I think is really out of the whole context of what we're trying to deal with as governments in a very responsible manner.

1:50

MR. DICKSON: My final question would be this: with the government compensation package it's estimated that 20,000 Canadians will not be eligible for compensation. How many of those people will be Albertans?

MR. JONSON: Mr. Speaker, I think the more important thing here and the real answer that should be sought is, "How many Canadians will be eligible for compensation?" which is according to the best assessment 22,000 individuals. There is also consideration of compensation for those secondarily affected according to certain definitions. That may add, I would estimate, perhaps another 2,000 to 2,500 people to the list.

So, Mr. Speaker, we are responding to those, that cohort of the population which Justice Krever identified.

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

Farm Income Disaster Program

MR. GIBBONS: Thank you, Mr. Speaker. Parts of the Peace River and Athabasca areas have suffered two very wet seasons, but the farm income disaster program doesn't help those suffering disaster in two out of three. After asking for help for months, today a group of farmers from northern Alberta have come to the Legislature in desperation. On March 13 the federal minister of agriculture said that he's willing to meet with the province to discuss providing assistance. To the Minister of Agriculture, Food and Rural Development: will the minister now ask for the federal minister's help?

MR. STELMACH: Mr. Speaker, under the current disaster recovery act we have entered into an agreement with the federal government. The act specifically says that the two levels of

government will only pay for those losses that are uninsurable, meaning some capital items that are not insurable; there's no insurance available for it. Unfortunately, crops are insurable. What cannot be insured is overland flooding. If the water rises over the riverbanks and floods all of this land, well, that is uninsurable, so as a result governments will participate in some of the coverage. But, again, crops are not covered under this particular act simply because there is crop insurance available in all of the provinces.

MR. GIBBONS: Thank you, Mr. Speaker. My first supplementary: will the minister finally admit that the farm income disaster program is a failure when there are two consecutive bad years and declare parts of the Peace and the Athabasca area a disaster area?

MR. STELMACH: Mr. Speaker, it's very difficult for me to say that the farm income disaster program does not work for Alberta farmers. I believe that in the area the hon. gentleman is talking about, we paid out over \$21 million into that area over the past two years. So let's not say that program doesn't work. It does trigger coverage. What really enhances further payment from farm income disaster is if the farmer carries crop insurance so that you increase your margin. It's a program that is very compatible with crop insurance: you crop insure; you apply for farm income disaster.

That program, quite frankly, is now a model that's being used in British Columbia, and many of the American states are looking to it. It's a program that we have run past the trade officials in Geneva to make sure that it's not countervailable, that no one is going to increase tariffs or close borders for our product to cross over. So I think it's an excellent win/win situation.

Now, at the conclusion of the 1998 tax year we're going to review that program again and look at what changes may be made available. It will be made in conjunction with good close consultation not only with Alberta farmers but with the rest of Canada to ensure that we don't incur countervail duties on those products that are covered under that disaster program that are going to come and bite us in the back later because our prices are going to be tariffed.

MR. GIBBONS: Thank you, Mr. Speaker. Does the minister think that the only solution, then, is to let these farmers in this area go bankrupt and leave their land?

MR. STELMACH: Mr. Speaker, being one that lived through several years of drought in northeast Alberta, I know what the hon. member is talking about. There are some gut-wrenching decisions that are going to be made by some of those farmers in that area. What we did to try to put some cash flow into those particular farmers' pockets was to review the disaster loans that we had available. We have lowered the interest rate. We have taken and deferred the principal and the interest for two years, allowing the farmers to reamortize that portion over the balance of the 10-year loan. That will create some cash flow so they can, you know, buy the fertilizer, buy some fuel, get the crop in, and hopefully, thanks to God's graces, pick up a decent crop this year.

THE SPEAKER: The hon. Member for Edmonton-Strathcona on behalf of the ND opposition.

Electric Utilities Deregulation (continued)

DR. PANNU: Thank you, Mr. Speaker. The Premier continues

to blindly side with and follow his Minister of Energy even after receiving as recently as yesterday a letter from Calgary Mayor Al Duerr which said and I briefly quote: it should also be understood that in a recent meeting with the Energy minister, the minister acknowledged under pointed questioning that this legislation was his way of getting municipalities out of the power business. Given that profits from publicly owned power companies go to pay for essential people programs in municipalities, how can the Premier justify his multimillion dollar tax grab to the provincial coffers?

MR. KLEIN: Mr. Speaker, first of all it's my understanding that the hon. minister will be introducing some amendments to the legislation that should go some way to ameliorate the concerns of the municipalities. I understand also that tomorrow he will be meeting with the Alberta Urban Municipalities Association and the Alberta Association of Municipal Districts and Counties, if he hasn't already met with them, to discuss some of these concerns. I would suggest again that the appropriate time to address these issues would be during debate on the bill and debate on the amendment and not during question period.

DR. WEST: Supplemental. There was an allegation or an innuendo from the city of Calgary that I had said to the municipalities – and I'd like to see that in writing – that they should directly get out of the business of that. The manager of the city of Calgary point-blank said to me: well, looking at all this legislation and that, it would look to us that you're suggesting that we shouldn't be in the retail business. I said: if the shoe fits, wear it.

DR. PANNU: Absolute ideology, and that's all we expect from the minister.

Mr. Speaker, given that when the Minister of Energy took over his portfolio, he scrapped the stakeholders' committee to discuss electricity deregulation plans and replaced it with meetings where the minister told groups that he was going to do what he was going to do, how can the Premier continue to support the minister's half-baked deregulation plan?

MR. KLEIN: The deregulation plan, which now is in the form of a bill before the Legislative Assembly, is not half baked. This legislation was developed in consultation with Albertans over a four-year period. I don't know how many pieces of legislation have received that much public comment, that much public consultation, that much public debate, Mr. Speaker: four years.

DR. WEST: Mr. Speaker, saying that ours is half baked – when I get the dribble of questions that have come here in the last several days from this hon. member, I would like to point out the credibility of what is said here. One tabled document said that the Auckland, New Zealand, power blackout was because of deregulation. That is absolutely nonsense. The failure was because four large cables on the distribution system freakishly, as put in the newspaper, broke down. It had nothing to do with deregulation. The argument in Auckland, New Zealand, is whether they should privatize or whether the government should continue to run it.

2:00

DR. PANNU: I'll put my word against the Energy minister's word anytime. I stand for what I say here.

Mr. Speaker, given that Auckland was blacked out because the private-sector company cut corners on their backup lines, what

assurance can the Premier give that similar occurrences won't happen here?

MR. KLEIN: Mr. Speaker, you know, in the province of Quebec, where they have a fully regulated power operation, Quebec Hydro, they had one of the most severe brownouts, blackouts, knockouts that we have ever seen. It had nothing to do with regulation or deregulation. It was an act of nature.

THE SPEAKER: In the notification that I received from the Government House Leader and, I think, to all Members of the Assembly – this place will be packed this afternoon when Bill 27, the Electric Utilities Amendment Act, continues its debate in second reading. I'm sure it will be a full house. No doubt at all about that.

The hon. Member for Red Deer-South, followed by the hon. Member for Edmonton-Glenora.

Provincial Debt

MR. DOERKSEN: Thank you, Mr. Speaker. Spending future dollars for the escalating demands of the immediate is not people friendly. The Premier, in his address to the province earlier this year, noted that 40,000 newly born Albertans will join us this year. By the year 2005 they will be seven years old, in the early years of their formal education. My questions are to the Premier. While we have a plan to repay the net debt, will the government introduce legislation that will set out a plan to repay the remaining \$14 billion in debt so those 40,000 Albertans will not have to pay for it?

MR. KLEIN: Mr. Speaker, it certainly is the intention of the government to introduce appropriate amendments to the legislation at one stage or another to address the supported debt. We have done a wonderful job in terms of addressing the net debt. The net debt should be eliminated by the year 2000, providing everything during budget '98-99 is on track or as close to being on track as possible. After we have finished addressing the net debt, certainly we will put in place whatever mechanisms are necessary to address the supported debt.

MR. DOERKSEN: Will the Premier indicate to this Assembly when he proposes to introduce the legislation?

MR. KLEIN: Well, Mr. Speaker, we really don't have to do anything until next year. Perhaps if there's time in this spring legislative session we might consider bringing it forward. If there is the possibility of a fall session, perhaps it could be introduced in the fall. I think it would be a meaningful piece of legislation, whenever it is introduced, to be debated in this Legislative Assembly.

MR. DOERKSEN: My last supplementary is also to the Premier. To keep all Members of this Legislature in focus, will you agree to not introduce any pension plan for the members until the net debt is repaid?

MR. KLEIN: Well, that's a very interesting question, Mr. Speaker. It's a question that I would gladly refer on the hon. member's behalf to Members' Services.

THE SPEAKER: The hon. Member for Edmonton-Glenora, followed by the hon. Member for Calgary-North West.

Capital Health Authority

MR. SAPERS: Mr. Speaker, if the Premier didn't know before, he certainly knows today the extent to which the Capital health authority requires additional funding. Yesterday the Premier received an earful from the authority regarding the immediate need for more acute and long-term care beds, more funding for diagnostic tests, more money so that the inhuman delays for emergency services can be reduced.

The Premier asked for proof of need, and he got it. To the Premier: what assurances did the Premier give the Capital health authority yesterday that their funding crisis would be resolved before March 31?

MR. KLEIN: Mr. Speaker, I did not receive an earful. It was a very good meeting. It was civilized. The discussion was very reasonable. The discussion had a very good tone. Mr. Wilkinson, Ms Weatherill, and Mr. John Ramsey didn't . . .

MR. MITCHELL: Were you there, Ralph?

MR. KLEIN: Yes, I was there.

MR. WHITE: Were you awake?

MR. KLEIN: Yes, I was awake. Mr. Speaker, how insulting. You know, I mean, if they want an answer . . .

Speaker's Ruling Member's Apology

THE SPEAKER: I think that comment came from the hon. Member for Edmonton-Calder. Would you like to do the honourable thing, sir?

MR. WHITE: Yes. I apologize to the Premier for the rude remark. Thank you, sir.

THE SPEAKER: Hon. Premier, did you want to conclude your response?

Capital Health Authority

(continued)

MR. SAPERS: Well, thank you, Mr. Speaker. So it was a cordial meeting. I hope it resulted in some funding.

Will the Premier confirm that the Capital health authority will require at least one-third of the \$138 million that the regional health authorities have said they need provincewide?

MR. KLEIN: Indeed, Mr. Speaker, I can pass on to the hon. member the essence of the talk we had. Certainly we went through a discussion about what is right with the system, and there's a lot that is right with the system. They're doing a marvelous job, sometimes under very difficult circumstances. But as the system exists today, there is very little pressure. That's not to say that three weeks ago, with a tremendous outbreak of flu, there was not some pressure on the system. I had a good report on the progress that the Capital regional health authority is making relative to its restructuring and finding new and better and more effective and more efficient ways of doing things.

Yes, we did have a discussion relative to the pressure points. The pressure points were quite clearly identified as being in three areas. Mr. Speaker, one of the pressure points occurs within the

Capital regional health authority because of the number of patients the authority has to serve from the north, including other health authorities within Alberta, the Northwest Territories, and sometimes the Yukon. This is a very unique situation relative to health authorities in that most of the specialists are here; thus the patients are sent from other regions, other authorities, and indeed other jurisdictions to the Edmonton hospitals. That was identified as an area where there are pressure points.

The other area identified, Mr. Speaker, was in the area of beds, especially beds to accommodate another pressure that is starting to develop, and it will develop throughout the province. This is diseases associated with aging. It was indicated to me that about 100 more beds will be needed throughout the system to accommodate those who would otherwise be in long-term care centres but who suffer diseases or afflictions associated with the aged and have to be hospitalized. It was identified that about a hundred more beds would be needed there.

The third area of pressure was drugs, the very exotic and sophisticated drugs that indeed are coming on the market today, especially drugs to treat diseases that didn't have to be treated to the extent they are today – AIDS is a good example – drugs that do indeed, if applied properly, get people out of hospital quicker, make people better much more quickly. But these are in many cases a very expensive proposition. This was an area identified as a pressure point.

Mr. Speaker, I told the chairman, the executive director, and Mr. Ramsey the board member, that if these pressure points can be justified and if indeed collectively there's a proper identification in consultation with the Department of Health, then the resources will be there to address those pressure points.

2:10

MR. SAPERS: Thank you. Mr. Premier, given that recitation of all of the needs, how could you conclude with the statement that if they identify pressure points, they get more resources? What else do you need to know?

MR. KLEIN: Mr. Speaker, it is not uncommon in any situation for any agency to say: "We need this. We need this." I think it's only prudent on the part of the government to do due diligence, to have an examination of these statements to see in fact: are they true? Are they true, and is money the only cure, or are there other ways of dealing with these situations? Or is it a combination of the two? I think that under reasonable circumstances it would be expected that the government would do precisely that.

THE SPEAKER: The hon. Member for Calgary-North West, followed by the hon. Member for Spruce Grove-Sturgeon-St. Albert.

Provincial Fiscal Policies

MR. MELCHIN: Thank you, Mr. Speaker. I would like to echo the caution expressed by my colleague from Red Deer-South today that spending future dollars for escalating demands for the future is not people friendly. Today my question is to the Provincial Treasurer. Many of the requests so eloquently presented in this Chamber deal with the challenges we face as individuals and families, and they're numerous. There's undoubtedly a list of wants to improve health, to improve our education, to care for the poor, to maintain law, order, and justice, to make sure that we have proper infrastructure, to expand on government services, and so forth. Has the Provincial Treasurer quantified the extent of all

these demands, be it from members of this House or through members of the public at large, so that we might gain an appreciation of the extent of those demands that are in addition to the \$15 billion that we already spend annually?

MR. DAY: Mr. Speaker, I would be a long time and so would my officials sitting down behind the calculators and adding up every single request that comes to government in terms of spending. There are many requests that come. Many are reasonable and are well thought out, but we are not in the business of putting blank cheques in front of people. We won't be doing that. We said clearly that our priorities are reinvestment in the areas of health, education, and infrastructure. But in terms of amassing a giant list of every request, no, we haven't done that because our spending is targeted. It is what is affordable, and it is in the priority areas Albertans have identified for us.

MR. MELCHIN: Thank you, Mr. Speaker. I thought maybe the speed of computers might have helped the quantification exercise versus calculators.

I would like to expand that. With it being so easy to identify wants and needs – that's the simple part of the process – has the Provincial Treasurer or will he request in the future that all those who request additional spending assume the responsibility to also identify the magnitude of those spending increases and which specific taxes they might increase?

MR. DAY: Well, I think the exercise might be an interesting one, Mr. Speaker, but we'd be asking people to do something that would place on their minds the possibility that then we would follow through with the corresponding tax increase. I think it would be fair to ask people as they come with their request to consider the impact on the budget and the effect that's going to have on our spending and that it could get out of control.

We have said very clearly that we are not introducing new taxes or raising taxes. As a matter of fact, a few years ago when Liberals, among others, were talking about a sales tax, we became so nervous about that and the people of Alberta became so nervous that we actually put in place a law that says the only way – for instance, with a sales tax – that we'd ever have that in Alberta is if Albertans stood up en masse in a referendum and said: "Tax me more. I like being taxed." That's the only way that'd happen.

So we are drawing the line. There will be no new taxes. That's why I won't request people to add up the impact of taxes, but we would ask them to consider the way they're spending as they come with these kind of requests.

MR. MELCHIN: Thank you, Mr. Speaker. My final question, then, also to the Provincial Treasurer: given that Budget '98-99 has one of the largest single year increases in the last decade, is the rate of increase in spending actually sustainable?

MR. DAY: Well, Mr. Speaker, the presumption behind that is: if it's not sustainable, then we have a deficit on our hands. We have a law that says we're not allowed to have a deficit. Right now some of us already do visitation and see people in the jails; we don't want to visit ourselves in the jails by breaking the law and having a deficit. So we will not have a deficit. I know the Liberals get upset about this because there are Liberals even at the MLA level who are saying, "Let's have a deficit again," but government members, Conservative members are saying: deficit days are over.

THE SPEAKER: The hon. Member for Spruce Grove-Sturgeon-St. Albert, followed by the hon. Member for Peace River.

Government Vehicles

MRS. SOETAERT: Thank you, Mr. Speaker. Ever being fiscally responsible about luxury perks, I have some questions for the minister of transportation today. By scrapping the luxury car fleet, the government would save \$60,000 a year just in operating costs. That doesn't even count purchasing the vehicles. That \$60,000 would pay for 15 children in the Head Start program or 70 children in kindergarten or eyeglass benefits for over 800 seniors. It's entirely clear that the front bench doesn't care about those Albertans but cares deeply about getting special deals and perks at taxpayers' expense. So my questions are to the minister of transportation. How can you justify these luxury car perks when, for example, the minister of social services just cut 15 percent out of the ABC Head Start program, about the cost of what it takes to run his vehicle?

MR. PASZKOWSKI: Thank you, Mr. Speaker. I think it's fair to note that we have 74 vehicles in the executive vehicle operations. This is down from 132 back in 1994. So there are efforts to economize, and indeed we are.

It should also be pointed out to the hon. member that by far the majority of these vehicles are a result of conditions of employment. Consequently, it's part of the negotiated wage package with the people that are working. This is not an unusual occurrence in that many businesses do that, and it's a very, very common way of negotiating wages.

MRS. SOETAERT: Thank you, Mr. Speaker. Given that that's part of the wage package, as those top bureaucrats leave and since your study shows it would be more reasonable to pay them mileage, why don't you get rid of that deal as you hire them and just give them mileage? That's a better use of money.

MR. PASZKOWSKI: Mr. Speaker, an interesting observation, because not all MLAs would be treated the same way. Some MLAs drive a lot more miles, and the more miles you drive the more cost-effective it is to have a government car. It's interesting to note that in '95-96 the actual gain to government was \$42,591 over the black book value; '96-97, \$29,962. This study was done by SVS, an independent management group.

MRS. SOETAERT: My final question, Mr. Speaker: why do Tory members get special deals on buying back their cars that no other Albertan even hopes to get?

MR. PASZKOWSKI: Mr. Speaker, this just isn't true. There are no special deals. The value is black book value, a hundred percent of black book value. That indeed is not a special deal.

THE SPEAKER: The hon. Member for Peace River, followed by the hon. Member for Edmonton-Mill Creek.

Energy Revenue

MR. FRIEDEL: Thank you, Mr. Speaker. I'd like to address these questions to the Provincial Treasurer. I'd also like to echo the earlier caution given by my colleagues from Red Deer-South and Calgary-North West that spending future dollars on escalating immediate needs is not a people-friendly thing to do. Last week

we received a considerable wake-up call when the price of crude oil dropped to \$13.21 per barrel. That's \$4.29 below the budget forecast of \$17.50. This created a very interesting situation, because the budget we're debating now fell short of its revenue projection even before it was to come into effect, and this sort of thing could cause a serious problem with the Balanced Budget and Debt Retirement Act. To the Provincial Treasurer: if the price of crude oil had stayed \$4 below the budget forecast and all other aspects of the budget had remained the same, how long would it take into a fiscal year before we would fall short of balancing the 1998-99 budget?

2:20

AN HON. MEMBER: Very good question.

MR. DAY: Well, Mr. Speaker, that is a good question, as the Liberals have just indicated. We try and project over the course of a year what we would be short in revenues if oil averaged out lower than what we projected those revenues to come in by. We use a figure - it's fairly accurate; it's not a one hundred percent exact science. Around \$150 million to \$170 million is what we would be looking for at the end of the year for every dollar below what we had projected. Now, that's on the yearly average. Our '98 budget year does not start until April 1, so we still have a few days to go. But if that had continued, as the member pointed out, we would be looking for something like \$550 million, and when you figure that our surplus that we project to have by the end of '98-99 and our revenue cushion is just slightly more than that amount, it shows indeed that we would be in a very financially tight situation.

Mr. Speaker, people have been reacting over the last couple of weeks, and some, properly, with great alarm, about the price of oil. We know what it did. It was cratering down around the \$13 level. We have said over the last couple of weeks: "Just wait. Give this a chance to average out." Today I understand that it was back up just slightly over \$17. So we think the plan is intact and on track, but the monitoring that the member has raised is very valid.

MR. FRIEDEL: Thank you, Mr. Speaker. Again to the Provincial Treasurer: given the realities of ongoing low oil prices, what does the government have to do to comply with the Balanced Budget and Debt Retirement Act?

MR. DAY: Well, to comply with the act, Mr. Speaker, it's very clear. We're not allowed to have a deficit. We are eliminating the debt. We're not going to introduce or increase taxes. And we have said that health and education are our priority. That means that if it continued, if we had oil prices that low over the course of a year, we would have to look at finding efficiencies and savings within other department areas. It would be a significant challenge; no question about it.

MR. FRIEDEL: My final question, again to the Provincial Treasurer, Mr. Speaker: can he tell us what he as the Provincial Treasurer along with his staff are doing to set up any contingency plans to deal with possible budget shortfalls in '98-99?

MR. DAY: Well, it's good to reflect just on a bit of history. On budget day '94, Mr. Speaker, it was put before the Assembly that the projected price of oil would be \$16.50, averaged out for the year. In fact, on budget day '94, as that was being tabled, the price of oil was actually just over \$14, significantly below what

was being projected. By the end of the year it averaged out to about \$18, and the projected price was \$16.50. So it just shows the volatility that's there.

In terms of contingencies, Mr. Speaker, we are always watching, monitoring, and all departments, all ministers, in fact all government MLAs are significantly involved in input in terms of the quarterly reports. Every quarter now we look at the numbers, look at what's coming in, and those are early warning signals for us to start using some of the levers, some of the mechanisms that are in place in the budget to pull back spending if we have to. I say, "If we have to." We're not looking forward to that, but the mechanisms are there. Our quarterly reporting process equips us to stay on top of it and to make changes if changes are required.

THE SPEAKER: The hon. Member for Edmonton-Mill Creek, followed by the hon. Member for Cardston-Taber-Warner.

Canada Pension Plan

MR. ZWOZDESKY: Thank you. Mr. Speaker, it was indeed a pleasure for me and some of my colleagues to attend the Alberta Chamber of Commerce meeting yesterday in Edmonton, to listen and respond to some of their various concerns. One main issue is the future of retirement income systems in Canada, including senior benefits, the tax treatment of private pension plans, and of course changes to the CPP, the Canada pension plan. In fact, I believe the Provincial Treasurer recently received a copy of the report from the Alberta CPP review committee that's chaired by Dr. John Cowell. So my questions are to the hon. Treasurer. Is Alberta going to stay in or opt out of the CPP?

MR. DAY: Mr. Speaker, we indicated when the changes to the CPP took place – and we understood clearly that those changes were put in place to keep the plan from cratering. It was identified by the federal government – it is a federal plan – as being hopelessly underfunded. That was a couple of years ago, and some immediate action had to take place to protect the plan as it was or it would crater. We didn't like the whole approach, but knowing that there are over 200,000 Albertans invested in that plan and receiving benefits, we said: first of all we've got to do what we can to keep the plan from cratering. Then we said: we'll take it upon ourselves to identify how the plan can be improved, if it can be.

We do have a committee in place. Early this year I asked Dr. John Cowell to head up that committee, and we have already received back – and I've received a number of progress reports from the committee – a number of suggestions that show some possible ways to correct the long-term problems in this plan. Mr. Speaker, I will at some point be presenting these possibilities to my colleagues who are also finance ministers with the other provinces. We need to develop this a little more in-depth and in detail so that I can show them what we have identified as ways the plan can be improved. I'd like the possibility to do that and to finish the work that we need to do to show clearly: here are some areas the plan can be improved, and if those don't work, then here are some other options for Albertans. We're in progress, and we're getting there.

MR. ZWOZDESKY: Thank you. Will the Treasurer tell us what the specific recommendations are in the Cowell report regarding Alberta's official bargaining position, if you like, during this phase now of the CPP reviews and negotiations?

MR. DAY: Mr. Speaker, as I've indicated, we have ongoing progress reports from the committee. Some of those are verbal, and some of those are in writing. I've asked for those ongoing reports. But there are some things that we have identified early on; the way the plan is presently administered, for instance, by the federal government. We think there are some efficiencies that may be made in terms of breaking the plan into component parts. We think that the way the plan is managed and administered, some improvements can be made there. In terms of looking at some of the numbers, we're questioning the degree of unfunded liability, and we're hoping for some confirmation on those numbers. So we're piecing that together.

I feel positive that we have identified some areas that hopefully we can get agreement on from other finance ministers. I believe there's a finance ministers' meeting in May. I'll look for agreement, and before we even go to that meeting, I'd be happy to share not only with my own colleagues but, in fact, with my critic some of the approaches we intend to take to see if we can get some feedback from him also.

MR. ZWOZDESKY: Thank you. Speaking of the unfunded liability portion, will you cost out how much it would cost individual Albertans to have to pay for our portion of the unfunded liability, which ranges in the neighbourhood of \$45 billion, should there be any proposed made-in-Alberta pension plan? Will you cost it out on an individual basis?

MR. DAY: Yes, Mr. Speaker. That's one of the sobering realities in light of the question: should we just go it ourselves and have an Alberta-only plan? There may be possibilities in that, but we would have to assume a significant liability, and that's been estimated anywhere from \$45 billion up to \$70 billion, depending whose figure you take as the unfunded amount. So these are the types of things – before we rush forward and say that we're going to have our own plan, for instance, or we're going to carve out our own area, we have to be able to deal with this question. How would we handle a \$45 billion unfunded liability, for instance? These are the types of questions we're looking at.

THE SPEAKER: The hon. Member for Cardston-Taber-Warner, followed by the hon. Member for Edmonton-Gold Bar.

Provincial Debt (continued)

MR. HIERATH: Thank you, Mr. Speaker. Spending future dollars for escalating demands for the immediate is not people friendly. Every year we pay money on interest costs on our debt that could be used for programs or tax relief. To the Provincial Treasurer: how much money do we pay in interest each year on our debt?

MR. DAY: Well, Mr. Speaker, this year it's very significant and again quite sobering to note that our interest payments are around a billion dollars. That's just interest, just the cost of carrying our debt. The good side of that story is that in '94, when we started the debt pay-down plan our interest payments were \$1.6 billion. Now they're about \$1 billion. That's \$600 million annually that we no longer have to pay on that debt servicing. We're getting there, but we still have a ways to go.

2:30

MR. HIERATH: Mr. Speaker, my only supplementary is: has the

Provincial Treasurer calculated the reduction in income taxes possible if present interest costs were applied against tax relief?

MR. DAY: Well, we've done some running of numbers, if you want to call it that, on those types of issues, Mr. Speaker. People have asked us to reflect on the cost of carrying the debt – I've said that's about a billion dollars – and then people like the MLA and others have said, "What types of things could those savings of a billion dollars be applied to, and specifically what would that mean if we didn't have to pay a billion dollars to the bankers, as it were, and applied it directly to income tax relief?" I can tell you that in running those numbers and just in terms of an approximate, every Albertan would enjoy a tax reduction of about a third of what they pay now if we didn't have to put that money to bankers and if that were the decision of the people of Alberta that it should go to that particular area.

head: **Members' Statements**

THE SPEAKER: Three hon. members have indicated their interest today to participate in Members' Statements. We'll proceed in the following order: first of all, the Member for Calgary-Currie, followed by the hon. Member for Spruce Grove-Sturgeon-St. Albert, followed by the hon. Member for Banff-Cochrane.

Charter Schools

MRS. BURGNER: Thank you, Mr. Speaker. In recent weeks the charter school concept has been the subject of media reports, editorials, and a great deal of public discussion, particularly in Calgary. I have always supported this initiative, which under the School Act provides for innovation and change within our publicly funded system.

Parents together with educators have been effective in highlighting programs which meet a broad range of needs and contribute to our community-based education system. These have included programs of literacy, math, science, sports, the arts, gifted and special-needs students' programs. I continue to be frustrated by the level of incompatibility between boards and the resident students and parents. At the same time we hear concerns about parents leaving the system to private schools, the very existence of charters allows them to remain in our publicly funded system. Charter schools should be a collaborative process. Charter schools should provide options and resources within the broader school system.

Under the current legislation, while the minister can accept a charter which has been refused by a school board, he cannot force a board to accept one. In the evaluation of a charter school program I would urge the minister to revisit the development and implementation process for charter schools so that the best needs of students, parents, and educators can be addressed.

Mr. Speaker, we have always encouraged our parents to be involved with the education of their young people. We've encouraged the role of business and community in identifying local needs. We should not see charter schools as a threat to the education system but as a supplement, and that very innovation should not be thwarted and frustrated by boards that have the inability to recognize the future.

Thank you.

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

Peace River-Athabasca Farm Disaster

MRS. SOETAERT: Thank you, Mr. Speaker. Farmers in parts of the Peace River and Athabasca area have suffered from disastrously wet conditions two years in a row. The municipalities have asked that these regions be declared disaster areas. Hundreds of farmers have asked for help. I've written to the Minister of Agriculture, Food and Rural Development and asked him in question period to come to their aid. Now, in desperation, some of these farmers have come to the Legislature to ask themselves. They will be meeting the minister later this afternoon.

Before the minister makes his decision about how he will treat these people, I would like him to consider a few things. The farm income disaster program is a pilot program. It clearly does not work when there are bad conditions in two consecutive years. I'm sure the minister will be revising this program in the future, but it seems unfair that these farmers should suffer because of a poorly conceived program. The crop insurance program has severe limitations. A few of these have now been recognized by the minister, who has announced some changes for the coming years, but further revisions are needed.

The minister has said that farmers will qualify for loans if they meet two conditions out of three, but I am told that a lot of the farmers are being turned down because they don't meet these conditions because they are too old to take out a loan. The average age of farmers is 57, Mr. Speaker. The minister told us in this Legislature earlier this week that there have been home consultations for about 140 farmers and that about 50 have received loans so far. How many are there that will not receive help? How many farms will have no money to enable them to clear the land and plant the crops this spring because they can't get a loan?

Farmers are suffering severe stress, and when farms suffer, so does the whole community, through no fault of its own. There's no money to spend in the stores; people move away; schools close. It's especially upsetting when people in northern Alberta see help going to other disaster areas. I want to ask the minister of agriculture to have some compassion, to find some way to help these farmers get through this crisis, for I believe that where there is a will, there is a way.

THE SPEAKER: The hon. Member for Banff-Cochrane.

Alberta Juvenile Ski Team

MRS. TARCHUK: Thank you, Mr. Speaker. It is my pleasure to rise today to pay special recognition to the Alberta juvenile ski team. I would like to congratulate each and every member of the team and the coaching staff on their accomplishments at the Canadian juvenile alpine ski championships held last week at Mount Orford in Magog, Quebec. Alberta had its best placing ever at this year's competition. Our team received the greatest number of medals of all Canadian provinces and tied for second with Ontario in the point standings. This is a great achievement for everyone involved with the team and something they can and should be proud of.

Team members included Yota Lambropoulos, Paul Stutz, Konrad Brzezinski, Michael Stahl, Ashley Tarchuk, and Luke Patterson of Banff; Cameron Barnes and Kathleen Shaw of Canmore; Amy Vaile from High River; Nicole Pantella, Derek Mortson, Jill Reid, Sean Sullivan, Justin Desjarlais, Brad Spence, Danielle Rosenbaum, and Jessica Dakers, all from Calgary; and

Catherine Mullen, Curtis Kaye, Emily Hamill, Matthew Hewson, Stewart Wilson, and Caleb Dyck from Edmonton.

I would also like to specially thank the coaching staff who, through guidance and understanding, have created a winning team. The five-member coaching staff included head coach Glenn Thomsen, Richard Jagger, Bruce Rimmer, Urs Walleser, and Jamie Gould.

Mr. Speaker, these young athletes have trained hard all season and have sacrificed early mornings, long days, and many miles on the road to get where they are today, and that is to be Alberta's best. Each one of these athletes has earned their place on the Alberta team through their dedication and perseverance.

I would also like to comment on two of the racers who performed exceptionally well at the meet. The first is Jill Reid of Calgary, who won bronze in the combined race, which includes both the downhill and slalom races. The second racer I would like to highlight is Paul Stutz of Banff. Paul won gold in the downhill, gold in the super-G, gold in the combined, silver in the slalom and placed fourth in the giant slalom. With these showings, Paul was also awarded the overall gold and goes to the world championships next month.

I would ask all members in the Assembly to join me in congratulating the members of the team and wishing Paul well next month.

Thank you.

head: **Projected Government Business**

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

MS CARLSON: Thank you, Mr. Speaker. Pursuant to Standing Orders would the Government House Leader please advise us of the order of next week's business?

THE SPEAKER: The hon. Deputy Government House Leader.

MR. HANCOCK: Thank you, Mr. Speaker. Yes, projected government business for the week of March 30.

Monday, March 30, at 1:30 p.m. under Government Bills and Orders for second reading we would hope to proceed with Bills 28, 33, 36, 27, 29, and 30 and as per the Order Paper. At 8 p.m. we would revert to Committee of the Whole with Bills 2, 13, 19, 20, 23, and 25 and as per the Order Paper.

On Tuesday, March 31, at 4:30 p.m. under Government Bills and Orders for second reading, Bills 27, 29, and 30 and as per the Order Paper. At 8 p.m. in Committee of the Whole Bill 2, Bill 13, Bill 19, Bill 20, Bill 23, Bill 25 and as per the Order Paper based on progress on Monday and in consultation with the Opposition House Leader.

On Wednesday, April 1, at 8 p.m. under Government Bills and Orders in Committee of the Whole we would proceed as per the Order Paper based on progress on Monday and Tuesday and in consultation with the Opposition House Leader and the third party House leader of course.

On Thursday, April 2, under Government Bills and Orders for second reading Bill 21, Bill 34, Bill 35, Bill 37 and as per the Order Paper and third readings as per the Order Paper.

head: **Royal Assent**
2:40

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

[Mr. Day 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. The Associate Sergeant-at-Arms opened the doors, and the Sergeant-at-Arms entered]

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

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

[Preceded by the Sergeant-at-Arms, His Honour the Lieutenant Governor of Alberta, H.A. "Bud" Olson, and Mr. Day entered the Chamber. His Honour took his place upon the throne]

HIS HONOUR: Please be seated.

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

THE CLERK: Your Honour, the following are the titles of the bills to which Your Honour's assent is prayed.

- 3 School Amendment Act, 1998
- 5 Canadian Airlines Corporation Amendment Act, 1998
- 14 Alberta Science, Research and Technology Authority Act
- 17 Metis Settlements Statutes Amendment Act, 1998
- 18 Engineering, Geological and Geophysical Professions Amendment Act, 1998
- 31 Appropriation Act, 1998
- 32 Appropriation (Supplementary Supply) Act, 1998 (No. 2)
- 206 Human Tissue Donation Procedures Statutes Amendment Act, 1998

[The Lieutenant Governor indicated his assent]

THE CLERK: In Her Majesty's name His Honour the Honourable the Lieutenant Governor doth assent to these bills.

THE SERGEANT-AT-ARMS: All rise, please.

[Preceded by the Sergeant-at-Arms, the Lieutenant Governor and Mr. Day left the Chamber]

[The Mace was uncovered]

THE SPEAKER: Please be seated.

Hon. members, before we proceed to Orders of the Day, might we revert briefly to Introduction of Guests?

HON. MEMBERS: Agreed.

THE SPEAKER: The hon. Member for Red Deer-South.

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

MR. DOERKSEN: Thank you, Mr. Speaker. It's my privilege

today to introduce to you and to the members of this Assembly 34 visitors from the Golden Circle, which is a seniors' recreation centre located in Red Deer. Not only are they a great centre, but they also provide a lot of community work in the community of Red Deer. I would ask if they would stand and receive the warm welcome of this Assembly.

head: **Orders of the Day**

head: **Government Motions**

Standing Order Amendment

27. Mr. Hancock moved on behalf of Mr. Havelock:

Be it resolved that the temporary amendments to Standing Orders of the Legislative Assembly, agreed to by the Assembly on March 2, 1998, be amended as follows:

Standing Order 7 is amended in suborder (1) by striking out "Recognitions (Monday and Wednesday)" after "Ministerial Statements" and adding "Recognitions (Monday and Wednesday)" after "Oral Question Period, not exceeding 50 minutes."

THE SPEAKER: The hon. Deputy Government House Leader to close the debate.

MR. HANCOCK: Thank you, Mr. Speaker. I understand all parties have agreed to this.

[Motion carried]

head: **Government Bills and Orders**

head: **Second Reading**

Bill 29

**Students' Financial Assistance
Statutes Amendment Act, 1998**

[Adjourned debate March 19: Mr. White]

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

MS CARLSON: Thank you, Mr. Speaker. I'm happy to speak to second reading of Bill 29. I would say that, in general, in principle we agree with most of what's in this bill. Part of it includes consolidating the operational functions of the student loan program under the department of advanced education. Previously, while it was directed, I believe, by the ministry, there wasn't any real direct link or any real direct responsibility in terms of the minister with regard to this. So this creates that link, which makes the minister more directly responsible for the student loan program, and certainly I don't have a problem with that. Making it a strictly ministerial policy advisory board is, in essence, what it has been.

I think it is good that this bill addresses making it easier for Alberta students studying out of province to get Alberta student loans. Certainly sometimes there are programs that aren't offered in this province, and it's important, then, that people who have grown up here can access the kind of education they want. The concern, of course, is always that there would be a trend towards offering fewer programs within the province because of a greater accessibility elsewhere. I think that would be too bad. We often find that people who take their studies here like to remain in the province and have an ongoing economic contribution. In that regard, it's a caution I would like to bring forward, that it doesn't

mean we're going to be lowering the types of programs offered here or, of course, the quality.

2:50

The part that I have a bit of a problem with in terms of student loans in general is the issue of accessing them. If you're going to make it easier for people to get them for out-of-province programs, then why are we not making it easier for students to access them within the province? Currently student loans are the number one, two, three, or four most important issue that comes into my constituency, depending on the time of year. By the time these students get to the constituency, it's really a last resort for them in terms of accessing the money or in terms of increasing the loan limits or in terms of having to deal with issues about decreased limits that come to them out of the blue and upset their study schedule and their financial scheduling. They are real concerns. These are very important issues to these people.

Something's wrong with the current structure, Mr. Speaker. I'm surprised that the minister didn't address it in this bill, because certainly it would have been a welcomed opportunity by anyone who's ever had to access that program. Certainly there is a problem in terms of the committees changing their minds about how much a person is going to get. The student loan amounts that are available to students are not extravagant by any means. They barely allow them to pay their tuition, buy their books, and survive during the time period. Often people get part-time jobs to help supplement the income.

When something is changed in that program and the dollar values they can access is lowered, it can be a hardship on these students, particularly those that have children. People who have gone back to school for upgrading or something in that mind have arranged for day care. They've arranged day care fees, and they have the added expenses of providing for other mouths in the household. Then to have their amounts decreased by even \$10 or \$15 or \$20 a month is substantive to them and creates undue hardship. That's a problem that could have been addressed in this bill very easily I think, Mr. Speaker, and it's really too bad that it wasn't.

So I'm hoping that the minister will get back to us in terms of when he is going to be reviewing that process. He needs to review the dollar values that are given to people and the process under which those dollar values can be changed, the process under which appeals can be heard. The time line needs to be tightened. More information needs to be given to the student in terms of what the procedures are that they have to go through to get to the appeal stage and make a proper presentation. Timeliness is really of the essence in this situation because the time is cutting into their study time, and we know what happens if students don't pass these courses. They're once again in trouble in terms of the student loans. So I wish that would have been addressed here.

I think retaining the six-year limitation period for commencing legal action concerning student loan recovery is good. Once again, though, this doesn't necessarily always address the problem. We're finding increasingly that people who have taken out student loans graduate and then are unable to find jobs. Of course they're expected to start the repayment schedule within a short time period after graduating, and if they haven't found a job in their area of training, often they're either unemployed or they're reduced to taking some kind of a minimum wage or a lower income kind of job that is not sustainable when you have to include the student loan payments into the financial structure.

So what happens? They fall behind in their loan payments, and that no doubt creates pressure for them but problems in terms of

the Students Finance Board. Often this is a long-term problem. They end up getting behind on their payments for a year or two and end up having substantial collection agency problems when the government then turns these loans over to the collection agency.

So I think an improvement on this would have been, instead of retaining the six-year limitation, that there be some sort of a proviso in the loan that you could look at situations case by case and that the repayment structures on student loans could be tied to the student's income. We've maintained for a long time that that would be a more proper assessment. For those who have higher incomes, you get the money back sooner, and those who for whatever reasons beyond their control can't find a job in their area of expertise, they would be expected to repay the loan as soon as possible but on a reduced payment plan.

This would help the government. At the end of the day this would put more money in the government's hands, because when they sell these loans to collection agencies, they're of course discounted, and the government only retains, I believe, 50 percent of the original loan that's still due and outstanding. So the government has significant write-downs in this area. If they were a little more accommodating in terms of working out a payment schedule with the students, I think it would be a win-win for everybody. The government at the end of the day would recover more money, the students would be under less stress, and they would have a payment schedule that was tied to their income and that they'd be willing and able to accommodate. The only people who don't win in this particular scenario are the collection agencies, and I think that would be a good-news story, Mr. Speaker.

Ensuring that the Alberta government has a right to add funds to the heritage scholarship fund is an excellent idea. I think that scholarship fund does an excellent job. Certainly when we're seeing increasing tuition fees year after year and an increased cost of living for these students, to have more funds available in the scholarship fund is a great idea.

So with that, Mr. Speaker, I think that concludes all my concerns at this point. I'm looking forward to listening to the rest of the debate on the bill.

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

MR. ZWOZDESKY: Thank you, Mr. Speaker. I, too, have some comments I'd like to address with respect to Bill 29, which is the Students' Financial Assistance Statutes Amendment Act, 1998, as brought forward by the hon. member opposite. It's not Leduc. Is it Camrose?

MR. JOHNSON: Wetaskiwin-Camrose.

MR. ZWOZDESKY: Wetaskiwin-Camrose. Sorry. The hon. member is of course the representative for the area of Wetaskiwin-Camrose.

I have had quite a few inquiries to my office, Mr. Speaker, with respect to the entire issue of student loans and how it is that we as a province go about assisting our young people in pursuing their educational objectives, their careers and vocations. So it is with some great interest of a personal and professional nature that I pursue this debate today.

I'm also genuinely interested from the standpoint that I do believe our young people are indeed the real future of our province, and anything we can do to speed them along that way

not only helps them but, I believe, has a tremendous spin-off on society, quite obviously, for all of us. It has tremendous spin-offs in the area of advancement and creating new opportunities for employment and for future positioning of our Alberta within the larger national and international markets.

A couple of the things that intrigued me about Bill 29 were touched upon somewhat by earlier speakers, so I'll be brief on those points. I would like to cite a situation that I'm attempting to resolve right now on behalf of a particular constituent who is actually studying in the city of Toronto at the moment. He's encountered some difficulties with respect to being an Alberta student who's actually studying out of province. Now, while the system worked quite well for the first year or two, it seems that some of the difficulties that have arisen with respect to the financial assistance being provided to him are now being experienced as a result of one of the major banks having taken over the portfolio for the Alberta portion of the loan.

3:00

The complication seems to arise when he's asked to reregister every September, which is no problem, and I'm not talking about reregistering in the school program. I'm talking about reregistering with the loans officers. They do another review in January, and then there's another follow-up done in May or June. However, in the case of a sudden absence from the institute of learning, as was the case with this particular gentleman, there wasn't in place a sufficient provision that would allow him to retain his exempted repayment status. As a result of having gone off to a foreign country with his parents to in fact search for a missing family member, this young fellow was actually penalized by time and tremendously imposed upon for having to provide the kind of information that should have been routinely looked after if the system had that check and balance in place.

Now, I'm not criticizing the system as such, but I am raising the point under this statutes amendment act because I would have thought that there may have been others who raised this point of accidental absence or absence due to extreme circumstances and how it is that the students receiving the money would be unfairly treated as a result of that extended absence, which in this case turned out to be several months. So in that instance I wanted to just raise for the hon. member the possibility of perhaps looking at some additional teeth to the bill that actually would specifically talk to that issue of absence. Now, I am aware that there are some references to that within the guidelines or within the regulations or possibly even within the individual contracts, as they are called, which the student recipients sign and must adhere to. However, in this particular case it seems that there was some miscommunication, perhaps, or some oversight which wasn't attended to.

So having said that, I want to just say in a general sense that I am very supportive of the financial assistance programs we have had over the last number of years. While I personally have not ever benefited from one of these financial assistance type programs, I do know of many, many, many young people who have, and I think it comes down in this debate to a couple of primary issues.

One of them certainly is access. I think it is one of the greatest and most futuristic strokes of a government to be able to provide easy access, predictable access, and stable access to a system that allows our young people to have the security they need, so that there are funds available in the event they can't afford to put themselves through school or in the event they weren't able to get that summer job they were counting on or if their families are just

not sufficiently well off to help put them through the upper levels of our education system. So access is the one primary concern that I hear over and over again.

On that point, I do want to extend a kudo to the Alberta Students Finance Board here in Edmonton, who have been extremely helpful, Mr. Speaker, to me and my office insofar as financial assistance to students has been concerned. They've been very responsive and they've been very accurate with their information, and they've been very friendly and forthcoming with their advice and with their follow-up on any of the matters that I've put forward to them.

There is another issue that this bill talks to inherently and otherwise, and that is the aspect of the loan repayment schedule that young people have to abide by once they graduate. Any system that does not penalize our young people by allowing them to graduate with a debt that is so large that it can't possibly be paid back within the reasonable period of time expected, any bill that doesn't penalize the students in that respect or any program that doesn't penalize them certainly will get my support. But my concern is with respect to the speed with which these young people are expected to repay those loans and the interest provisions that are included in some of those loans and how rapidly it can accumulate.

Now, as you know, Mr. Speaker, there are certain provisions that render certain loans interest free. Wouldst it were so that they had an interest-free period beyond their graduation time for – well, let's pick a time frame – at least two or three years to let them get on their feet well enough. I don't know if we have that provision, hon. member. I do know that it's been raised enough times that it should merit some consideration.

For a young student today to graduate and be expected to immediately start paying back this loan is probably not very conceivable nor very fair. The reason I say that is because a lot of these young people are going out and starting up their own businesses. Some of them are graduating and starting up their own practices in medicine, dentistry, whatever, and they have tremendous start-up costs. So to saddle them with not only those start-up costs of their own profession but also saddle them with the additional burden of suddenly, sharply having to repay their student loans may not be the most fair of scenarios for all of them.

I understand that there would be exceptions to that, but I would ask the hon. member to please consider the suggestion that perhaps there should be a grace period, for want of a better expression, whereby the students wouldn't step out the door of the college and then immediately have to step into this sudden repayment of the debt. I understand some of that debt gets to be very large as they graduate, as high as \$20,000, \$25,000, \$30,000, and in a few cases \$40,000.

One of the problems young people have in that respect, Mr. Speaker, is that they no longer have as many jobs they can apply for during the summer, the higher paying jobs. There are many jobs, you might argue, that are at the minimum wage level. But minimum wage levels hardly put enough money in their pockets for their weekends, much less for their retirement of debts of the nature and size that I've alluded to. So I would ask once again that that be given some very serious consideration. How fair is it to saddle these students with that large a debt right after graduation and expect them to begin paying it immediately?

Perhaps that thought, just to take it one step further, can be tied to their employment scenario. We could offer them the position of: start paying us back within two to three years after you've

landed employment or, at the outset, within three to five years, say. Even if they haven't, at least that would maybe function as an incentive for them to get on with their jobs.

We have to respect, too, that some of the career fields are filling up and there aren't as many jobs that readily available as there once used to be. I know, Mr. Speaker, that when I graduated the first time, in 1968 or '69 – or perhaps both – there was an abundance of jobs, particularly in the teaching profession. I virtually could pick any place in Alberta that I wanted to go, and of course I chose Edmonton. There was no difficulty then. There was absolutely no question that those of us in that graduating class of '68-69 were going to land a job somewhere in Alberta. There may be other colleagues here who were in the same boat. But that's not the case today. It's not that automatic, particularly in some of the professions such as teaching, which I've just alluded to. So anything we can do to help improve that picture I'm certainly in favour of.

Now, there are a couple of other points here that I wanted to raise.

3:10

MR. SAPERS: I'm here. I'm with you, Gene.

MR. ZWOZDESKY: Thank you, hon. member, for that support. I was actually just reading some notes that were slipped to me, which I appreciate receiving. Thank you.

I want to comment briefly as well on the Alberta Heritage Scholarship Act and particularly the fund that accompanies it. I also want to refer to the Rutherford scholarships, which I think is a very good program that was established and that forms part of the entire student financial assistance package we are discussing today. Every year we salute these young people, at the grade 12 level particularly, for their outstanding accomplishment. I know, Mr. Speaker, that you've had great experience and exposure with that program as well, and you were probably one of the people who were instrumental in helping to carve and create it years ago, for which we are grateful. Every year as we go out to the schools and salute these young people, we see the presentation of thousands and thousands of dollars, which goes a long way to helping these students. I just wanted to go on the record saying how much I and the high schools in my constituency appreciate the fact that the province has undertaken that particular program and also the fact that it's being continued.

Now, there's another section of the act – again just speaking to the general principle here – I would like to refer to. That's on page 5, where we start to see some of the changes to the Students Finance Act and references to the Government Organization Act. What I see here generally in spirit, Mr. Speaker, are a lot of changes being made with respect to the board. With respect to the board, there are additional changes with respect to the committees which that board may be able to create. Then there's the question of the individuals who sit on those committees and, of course, additional comments about the numbers of individuals who will serve on those, how they're going to be chosen, what their remunerations are, and so on. Then there's a lot more that goes on and on and on, talking about the board and changing things from “board” to “minister” and changing the word “minister” to something else perhaps.

In all of this I would understand, hon. member, that we're doing some basic housekeeping changes, you might call them. I fail to follow some of the points here, and I haven't made up my mind, to be honest, hon. member, whether I'm in support of these changes yet or not because I'm not sure how they're going to

translate once they're applied. I see a lot of things that impact specifically the board, but I don't see that many changes that impact the students, who are actually the people we're trying to help. So the thrust and the gist of some of those changes escapes me at this time. However, I would like to listen carefully again to the hon. member as he addresses some of the needs for those changes.

One of the changes that I see here, which was referenced by an earlier speaker, in fact dealt with the rate of recovery of some of these loans. Now, I don't know whether that's covered here in the bill or is covered in regulation or by some guidelines that you pass on to the board and its committees. That, too, is a matter of large concern, in my constituency at least. Well, I shouldn't restrict it to my constituency, Mr. Speaker, because, in fairness, I do hear about this occasionally at various gatherings. Individuals are concerned with the speed with which some of these loans are being recovered.

I don't want to sound like I'm contradicting what I said earlier about giving students a grace period. That's not the intention here. What I'm legitimately trying to find out – whether or not it's referenced somehow, if not in the act then in the guidelines or regulations that may accompany this act – is whether or not there is a provision for a re-examination, if you will, of the recovery rates as they pertain to the outflow of cash that goes to benefit these students. I don't see that. But I do see a lot of power now vested in the “minister” as opposed to the “board.” That's another issue that I'm not sure is necessarily a wrong thing or a good thing.

For example, on page 7 the general principle of what's being talked about there deals with striking out the word “board” and substituting the word “minister” when it particularly applies to funds that have already been voted on, presumably by the minister, while it was in the Legislature for discussion and debate as part of the larger budget.

That having been said, why would it be necessary to remove the word “board” from so many of these clauses and institute the word “minister”? If that were the case, I would have thought the government would have had the word “minister” in there to begin with. Otherwise, it tends to look like there's more power returning to the minister. I thought we were in that mode of getting political interference – that's perhaps too strong a term in this phrase. The whole idea of minister overshadowings: we were trying to get away from that. But the spirit of the dialogue on page 7 seems to re-enshrine what it is that we worked so hard to de-enshrine earlier. Again, I could stand to be corrected, but that's the appearance it has to me on second reading. So perhaps the minister or the hon. member – perhaps soon to be a minister; who knows? – could comment on that particular aspect.

Otherwise, in general, I find that the other amendments that are proposed with respect to the Student Loan Act, again with the exception of the insertion of the word “minister” from time to time, are acceptable to me but on the proviso that I get clarification on why it's necessary to have it spelled out as being the minister's responsibility as opposed to the existing arrangement, which says it's the board's responsibility.

I guess on that point there was another thought that I had, Mr. Speaker, and that was with respect to the size of the board. I'm not sure what the size of the boards is right now; for example, the Students Finance Board or the other board that's referred to here. Whether or not the spirit of this bill, which calls for a reduction to I think five members now or something in that neighbourhood – I'm not sure what the rationale is.

Is that the bell? I had some other points, but perhaps I'll come back during committee to address them, Mr. Speaker. Thank you.

THE SPEAKER: Well, the hon. member could always ask for unanimous consent of the House to continue.

SOME HON. MEMBERS: Agreed.

THE SPEAKER: No, we haven't asked the question, hon. members.

The hon. Member for Wetaskiwin-Camrose to close debate.

MR. JOHNSON: Thank you, Mr. Speaker. It's a pleasure for me to close debate on Bill 29. The comments that I have heard have certainly been interesting and enlightening, and I think there have been many good suggestions.

In conclusion, I'd like to say that Bill 29 brings the administration and handling of student finance assistance in line with today's realities. It clarifies and co-ordinates responsibility and authority, especially in relation to the Students Finance Board and the minister and of course the minister's department. It redefines accountability in light of a much expanded scope in student finance today.

Most importantly, it allows us to move forward to offer even better opportunities for financial assistance and program portability and flexibility to all Alberta students. I sense support for the bill, save for a few concerns and questions and suggestions, which I'm sure can be addressed more fully in Committee of the Whole.

3:20

I would, however, like to make a few comments in response to the question about long-range vision regarding student loans and higher education, because I think this was a question that does relate to the principle of the bill. I want to assure the hon. members that our vision is to ensure that financial need is not a barrier to further education for all Alberta students. Through our vision of making education available to all, then, we want to ensure that needy students have full access to the economic and social advantages that certainly come with having a higher education. Student loans and other assistance are of course the central tool in achieving that vision. This bill in fact expands the possible sources of funds for financial assistance. Also, I should mention that the vision includes a harmonized loan product jointly funded with the federal government.

I think that's all I have to say, Mr. Speaker, at this time. As I mentioned, many of the specific questions dealing with the amendments and I think many that didn't deal with the amendments can be explored more fully in Committee of the Whole.

So as the mover of second reading, I would like to close debate.

[Motion carried; Bill 29 read a second time]

Bill 30

Cemeteries and Funeral Services Statutes Amendment Act, 1998

[Adjourned debate March 19: Mrs. Laing]

THE SPEAKER: The hon. Member for Edmonton-Glengarry

MR. BONNER: Thank you very much, Mr. Speaker. It gives me a great deal of pleasure to rise today to speak to the Cemeteries and Funeral Services Statutes Amendment Act, 1998. I must

commend the hon. Member for Calgary-Bow for the tremendous amount of work she did in the preparation of this bill, especially the tremendous amount of work she did with stakeholders in the industry to come up with a bill that would satisfy not only those but provide a great service for Albertans. In the course of her preparation of Bill 30 she also took time out to get her staff together and spend some time with me on the briefing of Bill 30. I found it was extremely helpful. Her staff were extremely patient. It is with those thoughts in mind that I do have the pleasure to speak to Bill 30 here this afternoon.

My first impressions of the bill and after going over it with the staff: it looks like a very good bill. I will, however, reserve my final approval until we have studied the bill more in detail through second reading and committee.

I guess my first question would be: why do we need Bill 30? Probably the best reason is that neither the Cemeteries Act nor the Prearranged Funeral Services Act has been updated for over 40 years. The industry in Alberta is rapidly changing. We have had quite a significant increase in the number of funerals in Alberta. It is up from roughly 15,500 in 1994-95 to 16,500 in 1996-97. In this very, very short period of time that's an increase of 6.1 percent. There definitely is an industry here that is growing, and with the continued success of business opportunities and the influx of people into Alberta, I would expect that this figure will continue to grow for some time.

We've also during this period of time seen a decrease in the number of Alberta-owned funeral homes. It is down by approximately 3.1 percent. So again this figure just illustrates that the industry is changing here in Alberta. The number of national- and multinational-owned funeral homes in Alberta has increased 54.2 percent, Mr. Speaker. I give that statistic not to cause any alarm but just to illustrate that the industry is changing.

Just a few examples. The Service Corp International head office is in Houston, Texas. This is the largest funeral home and cemetery operator in the world, and here in Alberta it operates 22 funeral homes and three crematoria. The Loewen Group Incorporated has a head office in Burnaby, B.C. It is the second largest funeral home in North America, and the Alberta operation has 10 funeral homes and one crematory. The Arbor Memorial Services Incorporated has its head office in Toronto, Ontario. It is operating in Alberta as Memorial Gardens, and it is one of the largest funeral home companies in Canada. Presently in Alberta its operation has five funeral homes, six cemeteries, and two crematoria.

One of the things this bill will do is use the current language. Where the old term was "endowment care," this has now been updated to "perpetual care."

Bill 30, Mr. Speaker, will also address whether cemeteries can buy back cemetery plots and pay the original price. The updated version here is that they must pay the current value. I guess the greatest example of this was brought forward in our discussions when it was pointed out to me that a funeral plot that was purchased in the 1900s for \$12 is currently worth somewhere in the neighbourhood of \$600 to \$700. So this is one of the benefits of Bill 30, that the people who run the cemeteries would, at this particular time, have to pay the current value in order to buy this back from the people that own it.

Another thing I noticed in here as well, when we are looking at this bill, is that there are enough differences between the two acts I talked about in my opening address that this bill does allow the acts to be separated. In Alberta many of the cemeteries are primarily owned by nonprofit religious groups and municipalities

and for-profit funeral firms. This legislation is not designed to give an advantage to the stakeholders in either cemetery or funeral home sectors, which have similar interests and sometimes deal with the same services or products. However, it will make an attempt to harmonize sections of the act which are similar to both. What this will do is maintain equality for both the people who own the funeral homes and the people who own the cemeteries.

Presently the funeral services businesses are governed by the Prearranged Funeral Services Act and the Licensing of Trades and Businesses Act, and they are also governed by some provisions under the Unfair Trade Practices Act. Bill 30 pulls all the existing provisions together in one statute. The administrative responsibilities and compliance handling for cemeteries will remain with the government, but the amendments to the Cemeteries Act will allow for their deregulation to the regulatory boards established by regulation should this be required in the future. Also, under Bill 30 the religious and municipal cemeteries will continue to be exempt from licensing, preneed trust requirements, and perpetual care financial provisions.

I'd like to now look at some of the major changes to the acts, and these are common amendments which will occur. What this bill will do is prohibit or restrict the direct sales of prearranged funeral services, of preneed funeral contracts, either by telephone or door to door. In an Angus Reid poll 90 percent of the 800 people surveyed were opposed to direct sales or cold calls, and this was also supported by the stakeholders in consultation. It will, however, continue to allow these businesses to have mail drops, to distribute pamphlets, but it stops the high-pressure sales, especially to seniors. With this new piece of legislation it will stop people from going into our seniors' facilities and using high-pressure sales on seniors. I think it is a very good step and a very good amendment in Bill 30.

3:30

There's also a deregulation, Mr. Speaker, of administration and complaint-handling functions to the Alberta Funeral Services Regulatory Board. Now, the composition of this board will be three members selected by the minister and three members selected by the industry. What they have attempted to do here – and they've done a very good job as well – is to harmonize with other Alberta consumer-related legislation so that this new legislation will allow for a cooling-off period. Normally this is 10 days, but for older people this will allow a cooling-off period of up to 30 days, which will allow ample time for consultation of our seniors with their families, definitely a necessary part of the bill when you think, for example, that families could be out of the country or on vacation when these are signed. As well, with the great mobility that we do have in our population today, it is quite possible that families have moved away and it will take some time to get together. So this is definitely one of those changes in the act, an amendment, which I think is very good. It will protect some of our more vulnerable members in Alberta; that is, our seniors.

Another part I do like about the bill that is very good is that it will expand the range of enforcement options. In previous legislation the only option that was available here was either to pull a licence or not to pull a licence. Under the proposed changes the new bill will allow the director to make orders, which would be binding of course, to study contracts, to issue conditional licences until people have met conditions placed on them by him. If there have been violations to either of the acts, what could happen in this is that the director could have the people take courses or parts of courses which would cover any of the

violations that may have occurred. In extreme cases and extreme violations there can be a fine as severe as \$100,000 or even up to two years' imprisonment.

The next portion of this bill that I'd like to speak to is the establishment of trust funds. This bill will allow the retention of all funds in trust, including interest received, for the preneed purchase of goods and services until the goods and services have been delivered or the contract is canceled. Again, this is an advancement. It protects the consumer. It allows for this fund or the investment of these funds to increase in value until such time as the goods or the services are delivered, and at that time payment will be made. It does prevent what has been allowed to happen up to this time, and that is the funneling off of interest from these accounts. So again a very positive change, and I believe this is one of the changes that was requested by consultation with the stakeholders.

Under the Cemeteries Act the private, for-profit owners must cover perpetual care. Again, this is long-term. It looks to future events, and of course prices will be going up. It's a fact. It protects families here as well in that the private, for-profit owners will be responsible for those future costs.

[The Deputy Speaker in the chair]

Presently there are times when the right of interment is questioned, and there are a number of scenarios that do occur here. It could be the fact that one of the members in a marriage has died and there is a remarriage. In other cases, for example, a couple gets divorced, they have purchased their cemetery plots, and at that point neither of them would want to be buried next to one another. So when families can't agree where the loved one would be buried, then there certainly is a provision in this act to establish a committee that would oversee this and would also set up guidelines, which would definitely be a benefit, because I don't think there's any time in our lives when we are more vulnerable than when there has been a death in a family and a death of a loved one. This new bill would also give the minister the power to establish a regulatory board which would set the criteria to resolve these disputes. This is a very positive step at this particular time. It is not established, but I would think that if the need is great enough that the provision is having some revision to it, it is a good step.

The bill will also clarify the consumer's ability to sell unused cemetery plots and the conditions of resale. Now, this also occurs – we gave you some examples earlier – where one party or the other might have a need or a wish to resell the plot. Another could be, for example, that a family moves, and if this is the case, then of course they don't want to have the additional cost at the time of death of having to ship a body back. So again a very good addition to the bill. If these plots are offered back, then the cemeteries must buy back these plots, Mr. Speaker, at 75 percent of the present value of the plot. I think this is again a very reasonable proportion and a very good option for people who wish to purchase their plots in advance.

In closing, Mr. Speaker, as I said earlier, I certainly do support this bill at this stage. Again, I reserve my final opinion on it until we have heard it fully debated in the Legislature.

This bill does address many of the issues that are of concern to the stakeholders. I think the changes in this bill are certainly going to prove to be very beneficial for Albertans. One of the strong points I like about it is that it does protect our seniors and our consumers when they are at a most vulnerable point in their life.

So I do look forward to future debate on Bill 30. I would again

like to thank the hon. member for all her efforts in bringing me up to speed on this bill.

Thank you, Mr. Speaker.

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

MR. MacDONALD: Thank you, Mr. Speaker. I, too, rise this afternoon to say a few words about Bill 30, but first I, too, would like to congratulate the hon. Member for Calgary-Bow for bringing this legislation forward. If this will assist families at a time in their lives when they have to accept the loss of a loved one, if this will assist in planning, then it is a good piece of legislation.

Mr. Speaker, I understand that there has not been an update for almost 40 years regarding this legislation. We all know there have been lots of changes in 40 years, but one of the more noticeable changes is the number of telephone solicitations and door-to-door visits that a family can receive. Sometimes when there is a married couple, if they're elderly and one of them has passed away, the other one can feel vulnerable. These phone solicitations can sometimes cause not only the surviving spouse financial difficulty but also other generations of his or her family, Mr. Speaker. The highlight, as I see it, of this bill – and it's certainly a very, very good idea – is to somehow prohibit or at least restrict these door-to-door solicitations and these telephone calls for prearranged funeral services and cemetery supplies and services.

3:40

We're also talking about more stringent penalties in Bill 30 for violations of the regulations as I see them outlined here. There are also new rules for the director and the appeals board and regulatory board for funeral services.

Now, there are some things I note in here – I know from visits to southeastern B.C. that many of the cemeteries are now going to horizontal gravestones. They are no longer placed vertically, and if you want to walk up and pay your respects to a loved one, they can be difficult to find. I'm told by the residents in some of these towns in southeastern B.C. that they do this to make maintenance of the cemetery much easier. The grass grows, so you get on a ride-on lawn mower, and the elevation of the stone or the marker has to be lower than the level of the grass so that it's easy to do. I see in here that we are mentioning markers, gravestones. There are certain rules and regulations regarding them, but I don't notice anything like this. When I first encountered it, I thought it was quite an unusual procedure, but as it was explained to me, I accepted it. When I visit one particular cemetery there, everything is flat, and no matter how big the stone is, one does not stick out from the other. If the hon. member would consider that in this legislation – I don't know if it's necessary that we would have a rule like this in this province, but it's certainly something that has been thought about and discussed in southeastern B.C. and is something that we may take note of to keep costs down.

Funeral costs, I understand, average \$4,700 for service, and that is quite high, Mr. Speaker. A lot of people have difficulty making those arrangements, and as I said earlier, it is a difficult time for families. The loss of a loved one is extremely difficult, and to be faced with up to a \$5,000 bill sometimes puts extraordinary strain on family budgets. But we have to be careful with this legislation, because we know of the intense competition in the funeral business. We only have to look at the press to understand

that the Loewen Group – I believe they're from British Columbia – are into some intensive negotiations in the southern states with a group there. These negotiations have, to say the least, not been friendly. We have to be careful with this because the funeral business can grow very large. There is potential for a monopoly to exist.

In the funeral business that I'm aware of – in every smaller town that you go into there is not only a bank and a drugstore and a supermarket, but there's also a funeral parlour. It's usually a family-owned business, a small business, and we've discussed in this House many times the importance of small business. We must ensure that these family-owned businesses are protected and are allowed to survive because we do not want to see a monopoly situation created. I believe this legislation is sound, and it will prevent that from happening.

With those few brief comments, Mr. Speaker, I would like to close, but I would also like to again express my gratitude to the hon. Member for Calgary-Bow for bringing this legislation forward.

Thank you.

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

MS BLAKEMAN: Thank you, Mr. Speaker. I rise this afternoon to speak in second reading to Bill 30, the Cemeteries and Funeral Services Statutes Amendment Act, 1998. As I've said before, I have a large population of seniors in Edmonton-Centre. We have 13 seniors' high-rises there and anywhere up to 800 or 1,000 individuals in each building, so this bill is of great interest to a number of people in Edmonton-Centre.

I have spoken to some of them, and I think there's some very thoughtful protection for people, for potential consumers of the products and services that are being offered here; for example, around the idea of prohibiting the door-to-door and phone solicitation. Most of them are in secure buildings where you shouldn't be able to get in and go door to door. Therefore, when someone does get in and go door to door, it really frightens people, so a prohibition on this sort of thing I think is a great idea. Plus there's obviously other ways for them to advertise, so it isn't entirely necessary that they do go door to door.

I appreciate the attempt to update legislation and to harmonize it with the other consumer legislation that we have now. I also noted the more stringent penalties, and I'll come back and speak on that a bit later.

I know I've had a couple of very personal examples of how vulnerable particularly seniors can feel, and I'll just give a small example. There's one woman, a Mrs. K., who was in a hospital, and after returning home, she got a phone call from the hospital's fund-raising foundation and came to believe that she would have to donate to the hospital's fund-raising foundation or she wouldn't get adequate medical care next time out, which of course is patently untrue. She was not a woman lacking in mental faculties at all, but in her weakened state – she was still not feeling very well – she nonetheless had come to believe that that was the case. So I think it is really important that we do whatever we can in our role as legislators to protect people from being taken advantage of.

I notice that some of the specific wording in here is very carefully working around whether people understand exactly what's being offered to them, and I appreciate that. I did have one question though. I can find a prohibition against the preneed

funeral, but I can't find the corresponding one for a prohibition against preneed cemeteries. I'm wondering if the sponsor of the bill could answer that question. I have looked for it, but I cannot find it, so I'd be interested in knowing what is the reasoning behind that.

I'd also be interested in the process that led up to a decision to not allow door-to-door and telephone solicitation, but mail solicitation, Internet solicitation – I assume it means solicitation by fax – and advertising were to be allowed. I'm wondering why the direct mail is being allowed as well, because again that's something that comes into your home that you don't choose to go out and get, whereas with the Internet you are deliberately going to a certain location on the Internet looking for information. You're setting out to seek it. With ads, again they are outside of your home. The door to door and the phone are very carefully sort of protecting people's home and hearth. I'm wondering why direct mail wasn't included in that, and I'm sure the sponsor has an answer for me.

3:50

First of all, increasing the fines so that they are commensurate with standards today is a good idea. There is a lot of advantage that can be taken of people. As my colleague mentioned, there's a lot of money involved in this area, and it's money that everyone finds themselves in a position of having to spend on behalf of their relatives, but it can be very difficult to find that money. So anything that would stop people from taking unfair advantage is an excellent idea. I think the idea of having the fine set at three times as much as the fraud is particularly wise. That's a very nice touch there.

One of the things I'm wondering is that I don't notice anything in the bill that is dealing directly with memorial gardens. I don't know if we have many of those in Canada. I have some relatives in the one in London. It's a huge park, and that's where I first heard about things like perpetual care, where people pay for plants and flowers and things to be looked after in their name. But it does also involve scattering of ashes, and I'm wondering if I've missed something.

Is this not allowed in Canada? Have we never looked at it? Would that sort of thing be covered under this legislation? I'm not seeing the wording that talks about a memorial garden. I'm happy to talk to the sponsor of the bill more if she's not familiar with this concept, although I'm assuming that you would be, having gone through all the work to put this bill together. I know there would certainly be health concerns. It's covering almost everything else that's involved in this, the trust funds that are set up and the perpetual care and all of that sort of thing, so I'd be interested in hearing if it was excluded for a reason. If it wasn't, is there another reason why we wouldn't have it in Canada? If there isn't, then maybe we could consider adding it in.

I notice that in a number of cases it's left to the minister or the Lieutenant Governor in Council to set regulations, and I'm hoping we will see an amendment that would submit any regulations to the Law and Regulations Committee of the Legislative Assembly. I have spoken before on the fact that that committee exists and we don't seem to make use of it and I think we should.

There is a section in the bill that is requiring that owners set aside a fund to care for the cemetery, and I'm wondering why it's the minister who sets the amount of that fund, why it's being moved from legislation into regulations. I know that you wouldn't want to set, for instance, membership fees in an organization's constitution, because you're going to have to change them often. You don't want to have to go into an annual general meeting, all

the bells and whistles, simply to move your membership fee from \$8 to \$8.50. I'm wondering if that's the reason why, because there's an expectation that the set amount would change. Why has it been moved?

Also, it's talking about the minister approving the fee, that the company holding the money in trust can set a fee and the minister can approve that. Given some of our experiences recently with the amount of advantage some of the large banks have taken of citizens, where they are regularly removing funds from people's bank accounts to pay for an administration fee, is there anything to guard against that sort of thing? What does the minister consider a reasonable fee? What is reasonable to take out? I think that's an area where we should have learned lessons, based on what happened to a number of people – particularly seniors were heavily affected – where the banks were charging a fee of a dollar or two a month and withdrawing it from their bank accounts. Are we getting into the same area here with this idea?

The appeal mechanism for people who have been denied licences. I guess this is a question. Will the appeal boards be set up on an ad hoc basis every time there's an appeal, or is there a sitting appeal board? Later on I'm noticing that it's possible for the minister to appoint any other group that exists or any other regulatory board that exists. They can be appointed as the regulatory board in this instance. I'm looking for clarification on the appeal board for the licence issue and why such a wide-open range of possible regulatory boards that can be appointed to act as the regulatory board in this case. At that point we get into the argument of whether a regulatory board knows how to do regulation sort of things and it doesn't matter what they're regulating. I would think we would be looking for people who were more specifically familiar with or trained in this area, which is different than other areas.

Those are all the questions that I have for the sponsor of the bill at this time. I look forward to the answers that we will receive. I think, given the aging of our population, this is certainly an area that we need to look to, and there is a lot of money that's involved in it. So it's timely that we have legislation coming forward at this point, and I appreciate the efforts of the sponsor.

Thank you.

THE DEPUTY SPEAKER: The hon. Member for Calgary-Bow to close debate.

MRS. LAING: Thank you very much, Mr. Speaker. I'd like to thank the members of the opposition for their comments and for the in-depth study that I believe they have done of this bill. I do appreciate your efforts, especially my critic, who has really done a very good job of digging in and understanding the bill and all its ramifications.

I will get back with some of the questions' answers, but a few I can answer at this point. The horizontal grave markers would be under the guidance of the graveyard and the maintenance there. I believe it is now sort of the modern way to go to those flat markers, because it does lend itself to better maintenance. It's more the older graveyards where you find the more upright ones. Of course there are people getting into the more modern ways of doing it as well.

Prohibition against the preneeds cemetery. It's preneed funeral services, and in most of those packages that includes your plot and your cemetery, so it wouldn't necessarily have to be separate.

There was large support for prohibition of the direct telephone soliciting and the door to door. The reason they didn't include

the direct mail was that they felt this was less intrusive, that somebody was not standing there sort of arguing with you, that you could look at it and throw it away if it wasn't something you wished to pursue. Also, it allowed people to receive it in their own home and to think about it and if they were interested then to phone and set up an appointment. So it isn't quite as, you know, confrontational or as intrusive as the other two methods are.

Memorial gardens. There is one in Calgary. Today there are many – at least in Calgary there's one who names a tree after each person. So that would be, I believe, a similar type of arrangement.

The scattering of ashes is allowed, and there are regulations that cover that. You can scatter them pretty well anywhere except in water. The national parks have a separate type of regulation. So there are restrictions on where you can scatter them, but it is allowed, and you would just have to check in most cases and see what the regulations are that govern that area.

4:00

What else was there? I'll get back to you with some of the other more technical questions that you've raised.

Thank you very, very much for your comments. This is a bill that is certainly needed. Certainly I know the minister and the department have done a lot of work on it, and I really am pleased that you at least support it in principle. So thank you very much.

Having said that, I'd like to call the question on second reading.

[Motion carried; Bill 30 read a second time]

Bill 27

Electric Utilities Amendment Act, 1998

[Adjourned debate March 23: Ms Carlson]

THE DEPUTY SPEAKER: The hon. Member for Edmonton-Mill Creek.

MR. ZWOZDESKY: Thank you, Mr. Speaker. It's a pleasure to rise and speak to Bill 27, which is otherwise known as the Electric Utilities Amendment Act, 1998, and covers some 67 pages of very intense information.

Mr. Speaker, the primary purpose of Bill 27, as I understand it, is to complete the deregulation process of electrical generation that started a few years ago. I can appreciate that the government has done some extensive research and work with respect to this particular and very important issue. Of course it is extremely important, because who doesn't need electricity? Every person, every family, every business certainly relies on it, and therefore I read this bill hoping that it would accomplish some of the fundamental principles of deregulation which we've been following for the last five years and that somehow they would be reflected in the spirit and the principles of this particular bill.

Conceptually, I'm not opposed to deregulation if it's done in the right way and if the principles that are generally agreed upon, regardless of issue, are in fact enshrined in the particular legislation. Some of those fundamental principles speak to issues like affordability and how does the deregulation of this industry help us with the electricity rates that we are all paying, given our tremendous dependency, as mentioned earlier, on the need for electricity everywhere we go.

Another point is with respect to the generating units, you might say, and the possibility of removing those generating units from a regulated type of service, such as we have, and whether or not

that removal is consistent with the interests of we the users and the actual owners or producers of that electricity.

Another point that has been raised – and I want to re-emphasize it – is with respect to who it is that actually shares in the benefits and the responsibilities and is it being done on an equal basis in terms of the costs that we see related to the generation of electricity in this province.

Finally, there's the issue of residual benefits or what some people call residual values, which a number of people have spoken to. We as consumers I think have a certain expectation and I would even say a certain right to expect that those residual benefits would somehow accrue back to us for our collective good.

So those are a few of the fundamental theoretical principles, at least, that I was looking to see here. Summing them up: affordability, removal of regulation, the notion of shared benefits and costs, and finally, the transition of the industry to the deregulated state in a manner that leaves residual value with us the consumers and purchasers. I don't think any of those positions or principles, Mr. Speaker, compromise in any way the private firms who generate the electricity in this province, and I would assume that they would be even in favour of them. So one has to question the thrust behind this bill and to what end it is being proposed in the manner that it is.

One other point I neglected to mention. I would argue that it's good for competition to have the proper style of deregulation. I'm not convinced this bill does that yet, but as we get through the second reading and ultimately into committee, at which stage I understand the hon. minister will be presenting some amendments, I will be very keen to hear what he has to say with respect to how it is that this deregulation doesn't in fact harm competition but enhances it. I will be very vigilant to make sure that it doesn't penalize us the consumers in the end, and I'll get to some more points in that respect right away.

I also think that because it's good for competition, presumably it will result in better and fairer and more competitive pricing. I think that's what we really are looking for. We often hear the analogy, Mr. Speaker, that the best thing that ever happened to McDonald's was Wendy's, because there was another option to go to. I think that in fact two competing entities do tend to allow a third person to benefit, in this case the consumer.

The other general purpose that I was looking at here was the ability to allow electricity consumers to buy their electricity from a producer of their choice or from a supplier of their choice. I like that; I like the idea of having choice, provided that that choice is not in any form of a monopolized state, which we should certainly avoid. It's also very important that the electricity that is being generated, the electricity that's being piped into our homes is produced and created in not only a cost-efficient manner, Mr. Speaker, such as is alluded to in various places in this bill, but also is done in as efficient a manner so as to not disrupt our environment unnecessarily and to be in what I would call an environmentally acceptable manner as much as possible. At some point nature has to give way to some of man's advancements – I appreciate that – but if it's done in the proper way, it creates the necessary good that we're all looking for.

However, I think fundamentally what this bill is really talking about in spirit and in principle is what most of us as ordinary, so-called normal Albertans are concerned about, and certainly I share that concern. It's the very basics surrounding the provision, the generation, and the supply of electricity to our homes, to our businesses, and to any of the various facilities that we would be

visiting. I think it's critical that Albertans want and deserve to see predictability of that supply so that there is no uncertainty, no apprehension about whether there will be brownouts or blackouts or blue-outs or redouts or any other kind of outs. We want predictability of supply. There has to be a certain stability factor with that predictability that gives us the confidence that we're not going to suddenly experience a brownout at a high-peak period, for example, in our already overcrowded hospitals and waiting rooms and that kind of thing. We can't have a situation like that develop.

Mr. Speaker, not long ago I had the pleasure of visiting some countries in the old U.S.S.R. I'll tell you, when you talk about predictability of supply, everything there, from my experience, was rationed. There were certain hours when you could use electricity, when you couldn't. There were certain hours when you could use water from the taps and other examples when you couldn't touch the source. So we have to be very concerned about that predictability of supply.

4:10

The second thing that has been on people's minds first and foremost is with respect to the cost-effectiveness of that supply. Is that electricity being produced in as cost-effective a manner as possible by the private-industry companies? I would suspect that they're doing it in a profit-bearing mode, which I don't fault them for at all. I'm a free enterpriser, as you know, Mr. Speaker, but I do think there comes a point at which the public, when it's totally reliant and dependent on a small handful of suppliers for a commodity without which we could not exist – the issue of cost-effectiveness has to be raised and answered by the industry or by the government on behalf of the industry so that again consumers have a certain level of comfort with the answer.

The third area is certainly the most critical of all right now, and that's with respect to reasonable rates that we're being charged as consumers. I think we all pay significant power bills every month, and the last thing we need is to see those going up by an unprecedentedly high amount. I can appreciate the fact that as we grow, there's going to be the need for more power to be generated and that if there are more suppliers, we should be receiving more reasonable rates, but I'm not sure how that is. Quite frankly I don't know if it can be guaranteed in a bill like this, because of course it's up to the individuals out there producing the power to set those rates, but it's done in conjunction with and under the spirit of fair play and hopefully affordability, because we really have no choice in requiring that product. So the old economic theories of supply and demand don't really carry the same kind of equivalent value in debate in this instance as they would, let's say, with hamburgers. It's a totally different ball of wax.

As I already mentioned, electricity is so critical. We depend on it as an issue of such high value that it's irreversible at this stage to even think that we would somehow exist without it. As our economy grows and our construction industry grows and we see new houses coming onstream and new apartment blocks and all kinds of other buildings and as our population increases, obviously we're going to need more electricity. The question becomes this: just because we need more electricity as a unit, does that necessarily mean that we as individuals should be paying more for it? All things being held equal and taking into account inflation and everything else, I would hope that the answer is no. We want to keep it as affordable as possible yet make sure that the industry is allowed a sufficient profit margin to be in that business so that we as governments don't have to ever get into it, which I wouldn't want us to.

However, having said that, I think it's extremely important to review who exactly is producing this new energy that'll be required, how and where it's going to be produced, at what cost it's going to be produced, and I mean costs to the generators as well as costs to the environment and ultimately costs to us the consumers. I think we have to know the answers to some of those points as ordinary citizens, because when you talk to the average person about deregulation, it'll come as no surprise to a lot of people here that not everybody understands what that term means. While there are some points in favour of it, there are many other points that raise red flags. I think we've seen Albertans hit very hard with many issues, such as user fees. I think we counted up 383 user fees or somewhere in that neighbourhood over the last couple of years, new or increased user fees or premiums, and I wouldn't want this to become another one of those statistics where we have no choice on the issue and we must have it.

Earlier today, Mr. Speaker, I had the privilege of listening to a few comments that were made by the Minister of Energy, which I'm sure he'll elaborate on. I think he is accurate when he said that they are hearing as a government from municipalities about some critical issues. I'd like to address a few of those.

One of the critical issues is this issue of how the government sees itself leveling the playing field through this bill and the concern that this is a provincial tax grab and how it is that the money that is accumulating could and should go back to the consumers. We know that revenues are flowing into a balancing pool of some sort, and then ultimately the benefits of that balancing pool are channeled back out to the consumers. But the municipalities are concerned about that issue, and I think there has been sufficient publicity on it to warrant the minister's attention. So I would hope that when he does address some of the specific clauses of the bill, there's opportunity for some of those amendments to be made in that respect.

Another important issue that's referred to in the bill is with respect to stable rate options, Mr. Speaker. It comes as no surprise, of course, that individual consumers desperately want to see some stable option for the rates that are going to be paid between now and – let's pick an arbitrary date – the year 2006 with respect to their power providers. So having said that, I think individuals want to see rates that are stabilized and rates that are enjoyable from the standpoint of being affordable.

Another issue that's very important here to individuals and to municipalities and certainly to at least both major city mayors – and I haven't heard from others yet, but I'm sure they're concerned too – is the issue of cogeneration of power. Cogeneration is something that has to be there to ensure that we don't have the brownouts and blackouts and blue-outs and so on that I referred to earlier. It has to be there in order to enable this power supply on an ongoing basis. In other words, the cogeneration has to allow for any extra power that is being produced to go into a power pool, if you wish, and then we can access the extra power that these companies aren't utilizing to put pressure on prices and drive costs to consumers down further.

I heard the hon. minister talk about the plant in Joffre and the Imperial Oil plant I think in Cold Lake and the Dow plant at Fort Saskatchewan who basically produce a lot of their own power supply. But in the event of additional power being produced by those companies – and there are several others – can that extra power be fed into a central housing area and then distributed elsewhere across the province? It seems to me that that would increase the availability of power, which should put downward pressure on prices, and at the same time it should offer those

companies a market for their excess power. What do you do with power that you produce that you don't need? Well, it should be made available, and I think that they can reap a small benefit, perhaps a large benefit, in that way.

I had two other quick questions with respect to some recent publicity that's been given, and I just want to leave these couple of questions with the hon. minister to answer, if he would. One of them surrounds the publicly owned firms that may be advantaged because they do not pay corporate taxes. Therefore is the province looking at removing that advantage through this bill of deregulation, or is that status quo going to remain the same? To put it another way, is it the province's intention to level that playing field to the extent that publicly owned firms will also be required to pay taxes? Yes or no? I don't know the answer to that, so I'd ask the hon. minister to comment.

4:20

Then there are the comments that were made by one of our colleagues here, from Edmonton-Strathcona, wherein he one day explained in a question, I think, that there may have been some ulterior motive, at least in part, to the presentation of this bill, and was that ulterior motive somehow connected to municipal utilities being put out of business. I would like the minister to comment specifically on that. I'm not sure I read it that way on first reading, but I may have missed something, so I'd like that point clarified.

Mr. Speaker, I see my time is almost up, and there are other speakers who are anxious to enter this debate. So with those few comments and questions I would take my seat and allow others to address this very, very important and timely bill, Bill 27.

Thank you.

THE DEPUTY SPEAKER: The hon. Member for Edmonton-Highlands, followed by Livingstone-Macleod, followed by the Leader of Her Majesty's Loyal Opposition.

MS BARRETT: Thank you, Mr. Speaker. Ordinarily I promise that my speeches will conform to my height, but I'm not convinced that I'm going to be able to live up to that standard commitment today.

I oppose this bill vehemently. I do not understand why a government is so driven to deregulate as much as possible, particularly with an industry as important as this. The partial deregulation that was introduced and supported by I believe all members of the House at the time, in 1995, has caused destabilization. What we should be looking at is reregulation so that we can have a comprehensive handle on this industry.

I will give you an example of the sorts of problems that you will see if this bill ever passes, and maybe with some luck it won't. In question period the minister was talking today about: gee, problems don't just happen in Alberta; look at what happened in Ontario and Quebec. Well, in Ontario and Quebec, as a result of the ice storms, because there was one provider of electricity, being the hydro companies, they were able to work in a co-ordinated fashion to rebuild what needed to get rebuilt very quickly. When you go to New Zealand and you see that you've got 42 different power producers as a result of deregulation, guess what? When you have a problem, nobody wants to advance the capital to fix it because nobody knows who's going to benefit from it. So no company has a natural incentive to advance the money to fix problems, let alone create new plants. That has accounted for a blackout in Auckland that's now lasted more than a month.

The other concern that I have is that eventually what this will lead to, I have no doubt, is monopolization, and I have yet to see an example of monopolization being in the best interests of individual consumers. It most often is in the best interests of corporate consumers or industrial consumers of power but not the residential users. You see, they can pick us off one at a time. We don't have money that we pool together on a block-by-block or neighbourhood-by-neighbourhood basis so that we can buy our power on a cheaper level. We know darn well, just like with the CRTC, that every time you go to the Energy and Utilities Board requesting more money, you get it. You get it. I mean, look at the telephone companies.

I'll give you a perfect example. Telus now may be gobbled up by yet a larger company. Between the time it was in public ownership, known then as Alberta Government Telephones, and the time it was privatized, which is – what? – now six years . . .

AN HON. MEMBER: Eight.

MS BARRETT: Eight years already. Thank you. The profits that Telus has made off residential use, not the long distance but just residential use, have tripled, and the price tag that you and I pay to have a phone in Alberta, just a basic phone and a basic line, has doubled. Now, that's monopolization for you.

Now, everybody says: well, how are you getting from deregulation to monopolization and in the interim having organizations like the city of Edmonton, like the city of Calgary, probably like the city of Medicine Hat, and others saying, "Don't do this to us"? Well, the reason they're saying don't do it to us is because they believe that this is the foot in the door for them to be gobbled up. Considering that when you have a public utilities company, publicly owned, owned by the people, basically any profits it generates it gives back to the revenue base of that municipality, which is then passed on to programs offered by the municipality. In other words, it's not money that's packed into a pocket and leaves the country or leaves the province. It's actually recirculated within the community that paid the electricity bills and developed that so-called profit. But you don't call it profit when it's publicly owned; you do when it's privately owned.

So those municipalities have every right to be concerned, and I share their concerns 100 percent, particularly with what Calgary's Mayor, Al Duerr, had to say, and my colleague from Edmonton-Strathcona quoted from that letter today. The minister didn't even deny it. He says: yeah, I went to those meetings. They asked him: well, listen; isn't this your way of telling us that we should get out of the retailing of electricity? His response was: if the shoe fits, wear it. That's ideological, Mr. Speaker. Make no mistake. That is pure ideology. This minister has run from one department to another to another, every time focusing on what he blatantly called nakedizing at a conference last year, where he boasted about losing \$2 billion worth of assets in his hasty, hasty bid to sell publicly owned properties.

I mean, this is a government that doesn't care if it loses money. "Gee, we'll just take it out of the taxpayers. We'll just shut a few more hospital beds. Those classroom sizes can get a little bigger. Anyway, we don't call health care premiums a tax; we'll just hike those. Gee, if we can introduce a bill that allows cabinet, not the Legislative Assembly, to decide if seniors who qualify for the Alberta seniors' benefit will have pay health care premiums, we'll do that too." This is a government that's gotten very carried away with itself in the last several years and that I believe will steamroller any legislation that it wants to get its way rather than

listen to the people who are opposed to this legislation. You notice I'm talking about opposed. I've been making it very clear. I am opposed. I don't have to sit on the fence on this one. I know where I'm going.

The Consumers' Association is unhappy with this, and we know that Ron Southern is absolutely furious. Well, I would be too if I were Ron Southern, because he can see the long term. He can't hold on to Canadian Utilities compared to a bid that one of the probably American-based transnationals can afford to make. It'd be a move that would be impossible to stop or force into retreat because these guys have the money to buy outright, to make it look like it's a good deal for you. Sure, you walk away with a few bucks in your pocket and you call it profit, but now you're out of business. Now you're not in that business that you can continue making money in.

In the meantime those big leaguers will make the money. They will have a monopoly. Monopolists are predators, and they tend not to be predators on the corporate community. They tend to be predators upon individual users. At the bottom line that is how I conclude that our residential electricity rates will go up. It happened in California, and it will happen here. The mess that has happened in Auckland, New Zealand, can and will happen here in the interim. The long-term objective of this legislation is to hand over publicly owned utilities and privately owned utilities, which, despite the so-called partial deregulation of 1995, still work in a co-ordinated fashion. Any one of those players is certainly prepared to deal with the other to construct new power plants as necessary. They have proven that they're capable of co-operating. In fact, most of them would like to go back to a fully regulated environment, which is where I believe we should be headed. I oppose this bill.

MR. DAY: Of course. What surprise is that?

MS BARRETT: But at least I believe in what I'm saying, Stock.

THE DEPUTY SPEAKER: The hon. Leader of Her Majesty's Loyal Opposition.

MR. MITCHELL: Thank you, Mr. Speaker. I appreciate it. Just because she believes what she's saying doesn't mean it's right, and often it isn't, particularly when the leader of the New Democrats wades her way into economic analysis. She was saying that she's given the government such a rough time over all these months, and I have to say: well, then why is she so friendly with all of them?

Mr. Speaker, I would like to speak to this bill at the level of principle, and there is one principle that I particularly . . . Bite your tongue, Mr. Treasurer.

MR. DAY: Never said a thing.

MR. MITCHELL: And I won't talk about moral prisoners and vigilante justice.

MR. DAY: Oh, you can talk about them anytime you want.

MR. MITCHELL: Oh, good. Okay.

4:30

THE DEPUTY SPEAKER: I wonder if we could get on with the bill without all of the interjections from other people and let the hon. leader say his piece in second reading.

MR. MITCHELL: They're so distracting, Mr. Speaker. Thank you.

I believe fundamentally in the principle of competition. I think that free markets – tempered, as they should be, to the extent of unfettered free-market competition, like you might have found in England a hundred years ago – and a lack of intervention by government are things that allow an economy to grow and to create wealth. I should say as an aside that it's very important, of course, that we don't ever view that economy as an end in itself but that it's a way of building a stronger society and allowing people the opportunities to realize their potential.

So I am not opposed in principle to the idea of a deregulated electric industry that allows for greater competition. I think that at a macroeconomic, if I can use that word, level the tendency of such a structure will be to push prices for electric energy down, enhance competitiveness for our provincial economy, and potentially assist in reducing costs for residential and small business users as well as for large business users.

I also believe that deregulation enhances the potential for greater attention to environmentally more sound forms of electrical energy production. I'm not expecting that the forms we have now will be overtaken, but I think the potential exists for some diversification in that way, which is a positive thing for our society.

I am particularly convinced that the possibility for electrical energy efficiency programs, promoted aggressively by electrical energy producers, companies, is enhanced significantly by this form of deregulation. It seems to me that if we are facing brownouts, in this case due to the government's 1995 legislation, which really limited the ability of producers to create more production facilities, then one of the ways to address that is to aggressively promote energy efficiency programs. In fact, in the United States it's quite widely done, where one company will actually look to giving out a more efficient lightbulb, for example, to consumers because the energy that is saved is less expensively created that way than it is by creating a new production facility. They can take that saved energy and sell it somewhere else. I think that will occur more in this context as competition and market forces focus the attention of competitors in this area. So at that level I think there's something to recommend this bill.

At the same time, much of the defence of that particular principle, certainly as it's been mounted by this government, doesn't seem to me to be based upon any kind of extensive, focused, and proper analysis, certainly not the kind of analysis that has been presented in this Legislative Assembly. There would be reassurances, I think, for all of us and for most Alberta consumers if we could see that the government has carefully assessed in a scientific way the actual potential effects of this deregulation.

When we look at how they cut health care, we know they didn't assess it. When we look at how the minister responsible for this bill restructured CKUA and restructured other features of his departments, went headlong into cost cutting, the one thing that distinguished his approach to these initiatives could not be described as care, caution, and responsible analysis or due diligence. So we would just like to be reassured by some evidence, as I say, detailed cost-benefit analyses, that actually supports the government's contention that this competition will depress prices and do it in a fair way.

[The Speaker in the chair]

The minister will say that he tabled some documents earlier this week that, he argued, did that. Well, if you look at those

tablings, Mr. Speaker, you will see that they are merely a bibliography, which in and of itself is a help, that lists a number of studies and reports. Our analysis of each of those studies and reports indicates that there are none that definitively says or draws even a conclusion to the extent that an economic analysis could that prices will actually go down and certainly go down for the residential consumer. So we are concerned again. That's a red flag to us to the extent: why would this minister try to table documents which do not support the contention that he's making while contending that they do? We still haven't had an answer to that.

Even within the acknowledgment or the conclusion that deregulation leads to greater competition, leads to potentially reduced prices due to competition, the question that remains doesn't address a couple of issues. In fact, these issues could be contended with even within the structure of deregulation that's contemplated by the government. The first issue is the residual value, that amount of production value that will be left in plants after 2020 that is now written off the books of the company that owns them. The problem, or conundrum, in that is that the company didn't buy them by themselves.

Under the regulated regime that we're in now, consumers were directed, as it were, to pay a price that allowed the company to support their purchase of those plants, and in effect the consumers became the partners. There is an argument that can be made that the residual value will, even if owned by the company, go back to the consumers due to competition, because competitive players in the electrical energy industry will begin to have to dip into this residual value in order to meet price competition. Again, we haven't seen any study or in-depth analysis that would suggest the strength of that possibility, the likelihood of that possibility.

The second issue, of course, is whether any rate reduction that is likely to occur will occur in a fair manner and will not simply benefit one group of consumers, potentially, over another group of consumers. So you could in a macro sense divide the province, I would say, into three groups of consumers: residential consumers, small business consumers, and big business consumers. The potential exists, to the extent that it generates this question, that should be contemplated properly in this debate and answered by the minister, that major companies with major, major users, such as big companies, will have the leverage to demand depressed prices, lower prices.

It might be that companies will find themselves competing aggressively there because of the long-term commitments that they can contract for, which can stabilize some of their operations and so on, give them some planning potential, and subsidize that by charging residential consumers and small business, who don't have the leverage, more than they would otherwise charge them. It may well be that the residential and small business consumption rates go down, but if they don't go down as dramatically as large business rates, then it may be in fact that even within that structure consumers other than large businesses are subsidizing large businesses.

4:40

What that raises is the question of whether fairness can more adequately be achieved in this restructuring than the current bill contemplates. It seems that, one, there is the potential to do that and, two, there is at the same time a reluctance on the part of the government to really contemplate or consider those possibilities. So I would ask the minister again and again that he come to this Legislative Assembly and rather than simply relying on his strong ideological obsession and experience, which doesn't really give us

or many people comfort in that it doesn't embrace or accommodate, isn't based upon adequate analysis – could he please give us that? He has been known to be precipitous in some of his decisions, and he has been known to make mistakes, which later haunt Albertans, because of lack of forethought, ideological obsession in his decision-making. We're simply asking that this decision be supported by the minister with proper cost-benefit analysis. It seems not too much to ask, given what is at stake in this debate and given what is at stake with respect to the consequences of this bill.

Mr. Speaker, I'm interested in this bill in concept. I think that deregulation of these kinds of things is probably inevitable in the world. I also think that competition will lend itself to an overall trend of lower prices. I want to know that those price gains are fairly distributed, and I want to know that the residual value is fairly distributed as well. I would like to see some initiative on the minister's part, not just to rant and rave in here and not just to bully his position but to analyze his position for all of us and all Albertans, so that some comfort and confidence can be taken in his decision to present this bill.

Thank you.

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

MR. BONNER: Thank you, Mr. Speaker. I rise this afternoon to speak to Bill 27, the Electric Utilities Amendment Act, 1998. I believe also, like so many of my colleagues, that this is a very important and timely bill, particularly here in Alberta, where we do have such a cyclical need for energy and where so much of our business, so much of our economy, not just the oil industry, is based on energy. Just to support that, I'd like to refer to an article written about an event many years ago. It was when the Public Utilities Board refused to allow Genesee to come on-line, because in 1989 we did have a glut of energy. So even though the plant was ready to go, they had to wait some months before they could put their first 400-megawatt unit into production. Even at that point it was deemed surplus.

Again, this bill is addressing and will address some of the issues when it comes to our cyclical pattern of using energy here in the province. The long-term effects, Mr. Speaker, will have an incredible impact on Albertans and on the consumers of electricity here in the province, not only residential but small business and, of course, megabusiness. In my research I did have an opportunity to look at the Electric Utilities Amendment Act. We do have quite a number of utilities here in the province. These are basically of three types: hydro, coal fired, and of course those that are the gas turbines. In looking at these, the omission that I do see in all of these is the number of megawatts that these put out. I think in a long-term plan and for all of us to be able to make logical conclusions, we don't only need the year when these plants are going to be at the end of their usefulness, at their base life, but we also should know what the output of each of these is in terms of megawatts.

I referred earlier to Genesee, and I do have some statistics on Genesee. It can put out somewhere in the neighbourhood of 2,400 megawatts of energy for 35 years. This here is enough energy out of that one plant to supply 1 and a half million residences. So in making these analyses, those are some of things that I wished that the minister would have provided to us.

In looking at the electrical industry here in the province, Albertans have long shared in the costs and the advantages. If because of deregulation in this whole process competitive costs are

driven down, if these costs are passed on to the consumer, then I think this is a good move. We have seen it in so many other areas, and I would hope that we are going to have greater efficiency in this particular field of business, that those costs would be passed on to the consumers, not in the fashion that we see it now with the oil manufacturers, who of course seem to be able to raise and lower their rates for gasoline at the same amount. So I would hope that this would be a true private enterprise system.

Some other comments I would like to make. This is quite an extensive act, and it has extensive changes in it from the way that we do business in this province now. Some of the difficulties I do have in looking at this particular act are with the regulations section. I notice that in many places here under regulations we see that it says: "The Minister may make regulations." We see this in quite a number of spots here in the bill, and I don't want to refer to those right now too much. I look at these; there is a total of 63 regulations that the minister may make. I have concern with this. Is this an attempt to allow this industry to be governed behind closed doors? The residential consumer will be held captive and won't have too much input except to pay their bill. So I do have some very serious concerns about the minister having such a wide amount of power to make regulations.

The privatization or the deregulation must proceed slowly. We are having a tremendous amount of difficulty in this Legislature trying to determine the impact, trying to look down the road 20, 30 years to see what the impact of all these changes is going to be and how they're going to affect the people that have put us here. I think this is a time when we must proceed slowly. We must proceed with caution. We must be able to get this out to the average Albertan to let them look at it, to let them have their input. It will take all of us, Mr. Speaker, quite a bit of time to get a full study of this, to digest everything that's in here, to analyze, and of course try to come up with some conclusion which will have an impact, which will make a difference, which will be the best decision for Albertans.

4:50

Now, some of the problems that we do have here are that if we are going to deregulate this business, what is going to happen with the residual value of these particular plants? Albertans have paid for those, and in looking at the bill, I do have some concerns. I do have concerns when I read under section 71(1)(f.2) that it does give these people power to update these plants, to make the base life of these plants exceed the limitations that are put in on page 58. So why would we hand over these plants, that are so very valuable, that Albertans have paid for, when they do not have a base life, when there are improvements that will be made as we go along? I would like to have the minister answer those particular questions as well.

In the history of this province we do have a few hydropowered plants. I do thank the Member for West Yellowhead, that provided us with information on our coal reserves here in the province. Also, what was illustrated in the article was the length of time that our gas and oil reserves are going to be here as well as the tremendous amount of coal reserves that we do have in the province. [interjection] Yes. Just on the edge of my old hometown. I did appreciate that, and I did read it with quite a bit of interest.

Beyond a doubt, Mr. Speaker, we do have enormous coal reserves in this province, far greater than we do oil and gas. Again, this is the legacy of Albertans. If we are going to use our coal reserves for the generation of power, I think this begs other

questions, some of which are: are Albertans going to be adequately compensated for the use of these reserves, or are these major players in the production of energy going to have a reasonably easy access to these without too many returns coming back to Alberta? As well, we know that when we do burn coal, it is less efficient than our oil and gas. It also produces more contaminants to the environment. In looking at this paper, I haven't been able to see where our environment is going to be protected by the increased use of our coal reserves in the production of power for Albertans.

The next issue that I would like to speak to here as well is the predictability of supply. Albertans have long, long had this luxury, and we don't want brownouts. In looking at the number of power plants in operation in this province, who the owners are, the base life, I see that only 12 out of 60 have a base life which will exceed 2020. Yet, as I referred to earlier, these can be upgraded, Mr. Speaker. So I think we would need more information about the upgrading of the old plants, because it doesn't seem that they will be terminated at the end of their base life.

Mr. Speaker, we look at the generating capacity of the plants. Again, in my brief research on this I checked just four generating plants: three around Wabamun and Rosedale down in the river valley. We have there enough power being generated to supply 3 and a quarter million people. Now, this is greater than the entire amount in the province that is required for households. So again we have to see some future plan as to what is happening.

When we also look in part 2 of the bill, at the isolated regulated generating units, that a number of our larger businesses do have in the province, and realize that these also can tie into the grid, then it would seem to me that we are going to have a glut of energy at this time. If we do, that certainly should be a benefit for the average consumer.

In looking at the bill, Mr. Speaker, as I said, it is a very, very complex bill. It just addresses so many things. At first look I definitely would support this bill. I do have some reservations, and I'll be most interested to hear the comments from other members of the Assembly. I as well will be very interested in their comments when we do delve into it in greater detail.

Thank you very much.

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

MR. COUTTS: Thank you, Mr. Speaker. I'm pleased to rise this afternoon and speak to Bill 27, the Electric Utilities Amendment Act. I would really like to confine my comments probably to one aspect of that legislation, and that's the idea of the creation of a level playing field for all participants in the electrical market and what it could mean for some of the producers and retailers of alternative energy, or non-utility generation, particularly as it applies to this concept that is now going out in the form of green energy.

In the past many independent power producers have felt hampered by what they saw as a lack of opportunity, and they called for a level playing field in the electric industry so that they would have a chance to grow. It was an industry with a few major players and a few small players. There were regulated utilities, each in its own designated geographical area, and there were companies that basically could produce power for their own needs or do business only with their local utility.

This all worked fairly well under the circumstances, but it was difficult for new players to enter the scene. Firms with new ideas, new products, and new services were being left out or

brought into the system only by and through artificial means. These artificial means sometimes included things like government grants or what were considered subsidies or a guaranteed market access and an incentive payment, that was also considered to be a subsidy. We have since realized that this isn't the best approach, and the government believes that investment decisions are best left to the marketplace. Government should no longer look to try and pick winners and losers. The 1995 Electric Utilities Act and Bill 27 are part of that approach. It opens the way for new players in the industry, and it creates a level playing field and a good place for them to invest, to do business, and more importantly, to create jobs for Albertans.

5:00

As one example of this, I'd like to look briefly at the evolution of small power development in Alberta and to that component I referred to earlier, what could be called green power. Hon. members may be familiar with the support that the government has provided the wind industry and the small power development over the past decade. The government developed a small power research and development program and the southwest Alberta renewable energy initiative, and these programs helped to encourage the production of electricity from renewable resources, including wind, hydro, and biomass. They helped to see the potential for future non-utility generation from alternative sources, and they fostered the development of the largest operating wind farms in Canada. I'm very proud to have seen that development go on in my constituency on the place that's commonly been known as the Cowley Ridge.

Those were exciting developments, but we've discovered a better way to help develop viable industries. We have since realized that investment decisions need to be guided by market forces, not by government handouts or those subsidies. We know that it is not the role of government to tell Albertans what kind of electric power to buy. Government's role is to create a level playing field where new participants can enter the market and compete on the basis of price, service, or product. Our role is to make it possible for Albertans to have these choices, to ensure a fair and open market, and to protect customers. That, Mr. Speaker, is one of the conclusions reached in the Premier's Task Force on NAFTA Wind Turbine Manufacturing Facility and WindPower Plants report. That report was tabled on March 12, concurrently with the first reading of Bill 27.

The task force was formed to assess a specific proposal for a wind farm and an associated manufacturing facility. It also studied the prospects and actually extended its mandate to look at the development of green power in general within Alberta. The task force listened to numerous stakeholders. Those included the project proponents, residents of the communities involved, utility companies, independent power producers, renewable energy developers, local governments, and government departments. It concluded that

fundamentally if the project proceeds on a voluntary, market-driven basis, there are no conflicts with the existing government policy framework and the electricity restructuring would be supportive.

Mr. Speaker, Bill 27 addresses many of the issues that the task force identified. Green power generators needed access to the electrical grid, and the 1995 Electric Utilities Act gave them open, nondiscriminatory access to the power pool, which buys and sells all electricity consumed in Alberta. Bill 27 increases their opportunities through the introduction of customer choice and measures to create a level playing field. Like any generator they

have the potential of selling their power through a financial arrangement with a marketer, a retailer, or a large customer for long-term power sales. They would also be able to sell their power on the spot to a market into the power pool.

The new electricity industry structure provides all electric generators with equal opportunity in an open generation market. They will all have the same knowledge of the market price for power and be able to act in response to this open market. That means, Mr. Speaker, that if there is a market for green power – and we're beginning to see the emergence of that market – then the way is open for this kind of generation to be built and to be sold into the power pool. The key point is this: whether projects are successful or not depends on their competitive position, not on a regulatory hearing or a government decision. That's the only approach that makes real sense.

Now, green power won't happen just because you build more wind generators. You obviously have to create a market for this power. You have to find customers willing to pay a green power rate, and that will be the task of the retailers who deal with potential customers. Under the provision for retail competition in Bill 27, these retailers can sign up customers who wish to support green power. Then the retailers can contract with green power suppliers for the electricity needed to serve that market.

There's no getting around the fact, Mr. Speaker, that green power is more expensive to produce than conventional power, and Alberta's conventional power production from existing generators is low cost. That benefits all Albertans and adds to the Alberta advantage. This means that wind power at a generation cost of about 5 cents per kilowatt-hour must compete with a variety of existing generators at the average cost of less than 3 cents per kilowatt-hour. Power from new cogeneration can also be produced for less than 3 cents per kilowatt-hour.

Mr. Speaker, customers have a choice, and Bill 27 supports that. The wind industry will grow if customers support it, if customers make that choice. That's the way it should be. There's already evidence of some support. A U.S. survey recently found that about 7 percent of customers are willing to participate in a plan that requires them to pay a premium for green power. Seven percent is not insignificant in the early stages. In fact, Alberta Power is planning to introduce a pilot green power rate for customers. Other utilities are also getting involved. You begin to get the idea of new rate options that utilities will offer in a competitive marketplace.

On the industrial side I think we should take a look at what Suncor Energy is doing. It has signed a five-year agreement with Vision Quest electric of Calgary, and that agreement is to fund the generation of up to 350,000 kilowatt-hours per year from wind turbines near Pincher Creek and Hill Spring. This can be part of a process for electric producers to build up or trade credits under the voluntary challenge process. Vision Quest has also signed a contract with Enmax of Calgary to provide wind energy into the power pool to match the usage of Calgarians who are willing to pay a little more for green power.

The list of other examples of green or alternative power use is growing. Suncor is planning to capture waste gas from oil wells before it is flared and use it to generate power. Edmonton Power supplements its fuel requirements at the Clover Bar generation station with landfill gas. Currently, Mr. Speaker, independent power producers own about 10 percent of the generating capacity in Alberta. This includes industrial customers with their own generation. It includes the growing number of cogenerators who simultaneously produce power and heat from a single fuel source in a very efficient procedure.

Almost 13 percent of Alberta's capacity at present comes from

renewable hydro: wind and biomass energy, or green power sources. Bill 27 provides more opportunity for new green power projects. The winds of southwest Alberta and renewable energy throughout the province are valuable resources if they can be developed on a competitive basis. If this happens, costs will certainly come down.

The restructuring of Alberta's electric industry has opened the way for all of these companies – green power producers, industrial customers, and cogenerators – to sell the electricity they produce into the power pool. This was far more difficult a few years ago. These producers might have been forced to negotiate a price with the utility then go to the regulators for a costly, time-consuming hearing. Now any generator can build new generation capacity in the province and compete freely in the generation market. Retailers can compete to market this generation. There's going to be competition, but it won't be a jungle out there.

5:10

It is reassuring that the electricity industry structure puts some very important safeguards in place to ensure that the market remains fair and competitive. One safeguard is the independent transmission administrator. The administrator ensures that all sellers have fair and nondiscriminatory access to the market. Another safeguard is the independent power pool council, which represents all market participants. The council is responsible for making sure that the pool is operated as a fair, open, and efficient market for power. As well, a market surveillance administrator will be appointed under the power pool council to monitor the effectiveness of the market on an ongoing basis.

The act will include safeguards to ensure that there is confidence in the fairness of the market outcomes, that there is a level playing field amongst all market participants, that market participants abide by the appropriate rules and satisfy relevant performance standards and licensing requirements, that rules and sanctions are in place to discourage anticompetitive behaviour and practices, and finally that all complaints and disputes are dealt with in the proper forum.

Let me stress that the government has ultimate responsibility. The government is ultimately responsible for ensuring that the market is working and for monitoring the effectiveness of the market on an ongoing basis. If we can achieve this – and I think we can and I think we will with Bill 27 – Alberta will have one of the most progressive electrical industries in the world. Whatever choices they make, all Albertans will benefit.

Thank you, Mr. Speaker.

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

MR. SAPERS: Thank you. I'm rising to speak on Bill 27. Mr. Speaker, the gist of my concern around this bill – and I was listening to the last member, and I appreciate the care that he put into his remarks. I found them quite informative, but they didn't address the core concern that I have around Bill 27, and that is that as we move towards deregulating the generation part of this industry, we have to be mindful of all of the consumers who have paid for the infrastructure, who have paid for the generation plants to begin with, and we have to be mindful of how the deregulation will affect them.

In all of the discussion and in walking through some of the rhetoric and in listening to the defensiveness of the minister and in trying to read through that and get his real message, I have heard nothing to convince me that the government has properly studied the impacts of deregulation and can justify the conclusion

that deregulation in this way at this time will not lead to a surprise for the consumer.

I've taken a look at the bibliography that was supplied by the Minister of Energy regarding the studies and the science that he was referring to that he says has given him and the government comfort about the benign or beneficial aspects of deregulation when it comes to utility rates. In my review of that list, it reminded me, Mr. Speaker, of the time the Minister of Education tabled in the Assembly a list of some 200 studies to justify the government's position on cutting kindergarten funding. When you went through the list, you found that there really wasn't one study there that concluded that cutting kindergarten funding and kindergarten time was justifiable. In fact, most of the studies came to the opposite conclusion.

Now, there aren't some 200 studies this time that the Minister of Energy has tabled – there are about a dozen – but when I looked at those studies, I didn't find one that indicated absolutely that the government had taken the right position. I guess I should thank the Minister of Energy for being so forthright as to table information that made the case opposite to the one he was trying to establish. I won't at all speak to the motivations of the Minister of Energy. He'll have to account for those himself.

The fact remains that this Legislature is being offered a bill that the government has already said: "Well, this presents a framework, and we'll iron out all the rough spots later. Let's just get on with it because we all think that deregulation is good." Well, deregulation may or may not be good, but it certainly isn't inherently a good thing if the lack of regulation causes more harm than the existence of regulation would prevent. If we are to proceed down this road of deregulation of generation, then we have to be confident that we've done it in the best interests of everyone, not just a few power producers but of all power producers, and not just for some kinds of users, whether they be commercial or industrial, but for all users, including residential.

So I find it very difficult to speak in favour of Bill 27 in the absence of any concrete evidence offered by the government that they've made some good decisions. In fact, it appears to me, Mr. Speaker, that the government hasn't really made any decision beyond the simple one, which is to promote deregulation. That kind of simple reasoning has created many other problems in this government's history. The lack of judgment when it's applied to that kind of decision-making is beginning to manifest itself in ways that I don't think any of us in this Assembly are particularly proud of. We're beginning now to see this government introduce remedial legislation to deal with the problems that they themselves have created. I would hate to be in this Assembly, either on the government side or on the opposition side, a few years from now, having to introduce and debate remedial legislation because we were thoughtless about how we deregulated the generation of electricity in this province.

My argument is rather than rushing this through, rather than relying on this sort of just-in-time policy-making where we'll present the framework and then let the chips fall where they may, and if it's a mess, we'll just clean it up later; if we get to a detour, we'll take a dip or a dive or we'll go around the obstacle or whatever the rhetoric is about trying to save face when you've done the wrong thing. Rather than doing that, I would like to see the government say that there are some significant issues in this

bill. The bill is out there; it's on the table. If it's already been four years of consultation and if we're talking about the impact of this bill coming some 20 years from now, it really won't hurt at all to wait just a few more weeks or a few more months.

There's been lots of talk about a fall session, Mr. Speaker. In fact this House will have an opportunity to ensure there'll be a fall session in just a few short days when we get to debate private member's Bill 211, which would legislate two sittings of the Legislature a year. When there is a fall session, we'll have full opportunity, we'll have the benefit of consultation and meetings with our constituents, we'll have the benefit of sober second thought, and the review of the legislation.

Mr. Speaker, it's not enough to say that the issue has been debated or discussed or consulted on. The fact is that this Bill hasn't been debated for hardly any time whatsoever. It's only been in the public domain for a few short days. So what I'm suggesting is that rather than rushing ahead and doing something that we might all regret, why don't we take some time, why don't we do our jobs responsibly and put the effort into analyzing this legislation because of its significant impact and because of its importance to all Albertans?

So, Mr. Speaker, with that in mind, what I'd like to do is adjourn debate on Bill 27.

Thank you.

5:20

THE SPEAKER: Having heard the motion by the hon. Member for Edmonton-Glenora to adjourn debate on this particular bill, do the hon. members agree?

SOME HON. MEMBERS: Yes.

THE SPEAKER: Opposed?

SOME HON. MEMBERS: No.

THE SPEAKER: It's been defeated.

MR. SAPERS: All right. So the government is not willing to see this bill adjourned for even the weekend, Mr. Speaker. I think that demonstrates that they're prepared to run roughshod over the legitimate concerns that Albertans have brought forward in regard to the deregulation of this industry. Even when the government's own close friends raise these concerns in public, this government wants to turn their back on those concerns and, instead, pursue in some blind way the ideology of deregulation or might makes right.

So there's probably nothing more that I could say at second reading which is going to change the mind of this intransigent government. So I will take my seat, not feeling comfortable that I've done the best I can, because I haven't been able to convince this government to do the right thing and pause for a second sober thought.

[Motion carried; Bill 27 read a second time]

[At 5:22 p.m. the Assembly adjourned to Monday at 1:30 p.m.]