

Legislative Assembly of Alberta

Title: **Tuesday, November 26, 2002**

1:30 p.m.

Date: 02/11/26

[The Speaker in the chair]

head: **Prayers**

THE SPEAKER: Good afternoon.

Let us pray. Our Father, keep us mindful of the special and unique opportunity we have to work for our constituents and our province, and in that work give us strength and wisdom. Amen.

Please be seated.

head: **Introduction of Visitors**

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

DR. NICOL: Thank you, Mr. Speaker. It gives me great pleasure today to stand and introduce to you and through you to members of the Legislature a Liberal member of the Saskatchewan Legislature. Jack Hillson was first elected to the Legislature in a by-election in 1996 and has served six years as an MLA for North Battleford. He is a lawyer and before becoming an MLA was the director of Legal Aid and served as a city councillor in North Battleford. He is here today to listen to the debate on the climate change bill. Please join me in welcoming Mr. Hillson to our Legislature. I think he's in the members' gallery.

head: **Introduction of Guests**

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

MR. HANCOCK: Thank you, Mr. Speaker. It's my pleasure today to introduce to you and through you to members of this Assembly 47 grade 6 students and their teachers, Mrs. Val Ritter and Ms Shandell Switzer from Earl Buxton elementary school in my constituency of Edmonton-Whitemud. They're here today to observe and learn with keen interest about our government, and they're seated in the members' gallery. I'd ask them to please rise and receive the traditional warm welcome of the House.

THE SPEAKER: The hon. Minister of Municipal Affairs.

MR. BOUTILIER: Thank you very much, Mr. Speaker. It's indeed my pleasure today to introduce to you and through you to the members of the Assembly three very special guests. First of all, we have Lieutenant Colonel LaPlante, the new commanding officer of the 408 tactical helicopter squadron; as well as Major Robert Bayes, the deputy commanding officer of the same squadron; and also the chief warrant officer, Robert Braybrook. Now, I might also say that the honorary colonel of the 408 tactical helicopter squadron, Bart West, is also joining them today. I'd ask these four distinguished gentlemen to rise and receive a very warm welcome for serving their country.

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

MR. YANKOWSKY: Thank you, Mr. Speaker. It is my pleasure to rise and introduce to you and through you the grades 5 and 6 classes from Overlanders elementary school, which is located in my constituency. These very energetic students are also very excited to see their Legislature Building, some for the first time, and to learn

more about the legislative process. The students are accompanied by their teachers, Ms Laura Wenger, Mr. Jim Lovgren, also parents and helpers Mrs. Gloria Ames, Mrs. Kim Militsala, and Ms Krista Utas. They are seated in the public gallery, and I'd like them to stand at this time and receive the very warm welcome of this Assembly.

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

MR. MacDONALD: Thank you very much, Mr. Speaker. It's a pleasure this afternoon to introduce to you and through you to all hon. Members of this Legislative Assembly Shirley Barg. Shirley Barg is a CAUS representative from the Athabasca University Students' Union, and she is in the public gallery, and I would now ask her to please rise and receive the warm and traditional welcome of this House.

Thank you.

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

DR. TAFT: Thank you, Mr. Speaker. I have two introductions today. Last May I rose in this House to introduce a remarkable woman, Ann Keane, who planned to become the first woman to run across Canada, raising money for charity and encouraging people to raise their eyes and open their hearts to the opportunities we all have to reach out and make this a better world. Today it is my great privilege to reintroduce Ann to this Assembly. She succeeded. She's the first woman to run across Canada. Would she please rise in the public gallery.

Ann began in Newfoundland in May and prevailed over snowstorms, rain, mountains, drought, lost toenails, and risks of kidney failure to dip her tired feet in the water of Tofino in August. Ann gained strength the whole way and eventually was running the equivalent of two marathons a day every day, week in and week out. Ann's spirit is an inspiration to us all. When we are tired or feel that we have given all we have or when we feel like quitting, we should remember Ann and the message of hope and compassion and courage she took to every province in this great land. Please give her a warm congratulatory welcome.

Mr. Speaker, Ann is the first to admit that she did not achieve her goal alone. She had various sponsors, including an RV company and a company that provided her with many new pairs of running shoes. She had a team of people who supported her all the way, taking donations, driving her vehicle, and stirring up publicity. Three of those people are here today. Would they please rise as I read their names: John Duke, Betty-Jean Duke, and Samsen Rohm. Ann also had her dog with her, who undoubtedly is the first dog to have run from Newfoundland to Vancouver Island, but protocol wouldn't let me introduce the dog here today. Would the House please join me in giving these four a fine welcome.

Thank you.

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

DR. PANNU: Thank you, Mr. Speaker. It's with considerable pride and delight that I rise to introduce to you and to all members of this House 28 very special guests. They are members of the Canadian Diabetes Association marathon team, their trainers, and officials. These guests, ages 21 to 67, have joined other teammates across Canada as part of the Canadian contingent to raise funds in support of fighting diabetes. Thirty-six Albertans trained for and completed the challenge of a lifetime, the 42-kilometre Great Bermuda Walking Marathon in Hamilton, Bermuda, on November 17. I had the pleasure of meeting some of them on the plane on November 18 on

my way back from Toronto. The team raised more than \$200,000. Many of these participants are able to join us today, and they are seated in the public gallery as well as in the members' gallery. I would ask all of them to please rise and receive the warm welcome of the Assembly.

THE SPEAKER: The hon. Member for St. Albert.

MRS. O'NEILL: Thank you very much, Mr. Speaker. It's my pleasure today to introduce to you and through you to members of this Assembly two businessmen who live in St. Albert and Edmonton. They are seated in the members' gallery. They are Joe Evans and John Shyback, and they are both involved in technology and technology business among other things. I'm pleased to present them to the Assembly today, and I'd ask them to please rise and receive the warm welcome of this Assembly.

MR. MAR: Mr. Speaker, it's my pleasure to rise today and introduce to you and through you to members of the Assembly Mr. Darcy Craig, a resident of Calgary-Nose Creek, a young man who has taken a great interest in political life for the last 10 years. He's here to observe today's proceedings, and I'd ask that he rise and please receive the warm welcome of this Assembly.

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

MR. HORNER: Thank you, Mr. Speaker. On behalf of my colleague the MLA for Leduc it's my pleasure to introduce to you and through you to all members of the House 28 visitors from Leduc's East elementary school. They are accompanied by teacher Mrs. Mary Ellen Whitworth and parent helper Mr. David Argent. I understand they're in the members' gallery, and I would ask that they rise and receive the traditional warm welcome of the House.

1:40

head: **Oral Question Period**

Electricity Pricing

DR. NICOL: Mr. Speaker, yesterday the Premier said that the average rolling price of electricity for 2002 was 4 cents a kilowatt-hour, but when consumers call to request that rate, they are told it's not available to them. My question to the Premier: why did you promise Albertans a rate that's not available to them?

MR. KLEIN: Mr. Speaker, I'm quoting from the daily energy pricing report, and it's dated Monday, November 25, 2002. That was yesterday. I'd be glad to go through it. The average price for January of 2001 was 13.1; February, 11.7; March, 9.7; April, 11.5; May, 8.8; June, 6.4; July, 5.3; August, 5.2; September, 3; October, 4.4; November, 3.3; December, 3.4.

Now, 2002, the current year: January, 2.8; February, 2.2; March, 5.5; April, 4.5; May, 4; June, 4.6; July, 2.6; August, 3.2; September, 4.6; October, 4.4; and November, 6. We haven't yet reached December, so the average price to the end of November, which we're almost at, is 4 cents, according to the daily energy pricing report.

THE SPEAKER: The hon. leader.

DR. NICOL: Thank you, Mr. Speaker. To the Premier: but that's not the price that shows up on the consumer's bill even under the generating charge; is it?

MR. KLEIN: Mr. Speaker, I'm not privy to every single electricity bill in this province, but I'll have the hon. minister supplement.

MR. SMITH: Mr. Speaker, since the inception of the Power Pool and starting last year, this price is published accurately in the *Edmonton Journal* and the *Calgary Herald* on a daily basis, and in fact the prices that are now available to customers in the marketplace are regulated rate options. In fact, the EPCOR rate for Edmonton is one that's approved by city council here in Edmonton. The Enmax rate is one that's approved by the Calgary city council. With the introduction of the Electric Utilities Act amendment in the spring of next year that will change, and those will come under the purview of the government of Alberta. Today the EUB, the Alberta Energy and Utilities Board, regulates the regulated rate option of EPCOR in the Aquila network and of ATCO in the rural network.

Now, Mr. Speaker, these are rates that under deregulation were given time for consumers all across Alberta to choose as new competition came into the retail marketplace. Frankly, that competition has been a little slower than what we would have liked to see appear, but I have been in discussions with people who are interested in entering this marketplace, and we're starting to see contract options being offered in the retail marketplace today.

DR. NICOL: Mr. Speaker, again to the Premier. And if he wants to, he can pass it off. Is it not true that what you're quoting here are wholesale prices, when in actual fact the consumer pays a retail price which shows the markup that the retailers put in place to discount for uncertainty, for risk, and for the aspects of dealing with the monthly changes in price?

MR. KLEIN: Yes, Mr. Speaker, and that's in accordance with the market and the philosophy that the market prevails. That would exist in a regulated or deregulated environment.

DR. NICOL: When this government undertook a policy of electricity deregulation, it promised Albertans that the price of electricity would be lower. Albertans thought that meant that their power bills would actually be lower. My question is to the Premier. Why hasn't that happened?

MR. KLEIN: Mr. Speaker, the prices have actually come down, and, you know, it would be unfair to compare them to last year because there were significant rebates allotted to all Albertans. As a matter of fact, relative to my own electricity bill I didn't have one single bill last year for my condominium in Edmonton. I'm now getting bills that average about \$24, \$25 a month, which I feel to be a reasonable amount, Mr. Speaker. I have no complaints whatsoever.

DR. NICOL: To the Premier: why did you make rules that make it necessary for electricity providers to add on charges such as the fixed service charge, the municipal franchise fee, delivery consumption charges, regulated rate option shortfalls, deferral riders, and franchise fees? Why is it that they couldn't be there in a simplified form so that consumers can understand their bill?

MR. KLEIN: Mr. Speaker, I don't know if we've made the rules or if the Alberta Energy and Utilities Board made the rules, but whoever made the rules, the rules make a lot of sense. I can recall people complaining about their electricity bills and being charged a global service charge without a breakdown of those charges. Now, at least, the power companies and the retailers of power are compelled to provide a detailed breakdown as to those costs rather than a global figure. I'll have the hon. minister supplement.

MR. SMITH: Mr. Speaker, that combination of pricing structure was put into place after complete, careful, and extensive consultation

with the Consumers' Association of Alberta, consumer groups, the providers of power – that would be EPCOR and Enmax – wholesalers into the marketplace. This program of deregulation that prevents taxpayer debt for new generation was an amalgam of good work done by everybody in this province involved in the electrical business. People asked for open and transparent pricing, and that's what they got. In fact, when we looked to the task force put together by the good Minister of Government Services and myself, it was found that we might have gone overboard in delivering total transparency on total unbundling of prices, but we would rather err on openness than anything else.

DR. NICOL: To the Premier: why do consumers in Alberta need a forensic auditor to understand their power bills?

MR. KLEIN: Oh, Mr. Speaker, nobody needs a forensic auditor to understand their power bill. I certainly don't. Perhaps the hon. leader of the Liberal opposition does, but my power bill is easy enough to read, and I can't understand why his isn't.

THE SPEAKER: Official Opposition third question. The hon. Member for Edmonton-Gold Bar.

MR. MacDONALD: Thank you, Mr. Speaker. The Minister of Energy under the directive of the Premier responded in early October to electricity billing problems, but everyone knows this policy was just to keep the Tory backbenchers from open, loud, noisy revolt. Last year the Alberta Power Pool reported many occasions when power producers withheld electricity production to raise the pool price by creating artificial shortages to make the price skyrocket even more. I don't know how anyone could describe that as open and transparent. My first question is to the Minister of Energy. Which producers used this strategy of price manipulation to increase their profits?

MR. SMITH: Well, the answer, very clearly, to that question, Mr. Speaker, is none. It is absolutely none. Of course, we would like to see these wild allegations that this member puts forward on a continual basis substantiated with even just a little, just a small bit of fact just to add to the debate. Really, there was an investigation done by the market survey administrator. They talked about gaming in the marketplace, and do you know what the results of that exhaustive study proved? That, yes, some people gamed in the marketplace and that it didn't work, that it didn't move power prices, that the Power Pool actually is, at the rate of some 3 and 4 cents over this summer, a good reflective marketplace of power exchanges in Alberta today.

1:50

MR. MacDONALD: Again, Mr. Speaker, to the same minister: how much did the price manipulation by these producers cost Alberta energy consumers? Tell us that.

MR. SMITH: Well, Mr. Speaker, as I have just stated, the investigation of the gaming in the marketplace proved that trying to artificially restrict and hold back power did not work in the marketplace. I can review the prices of the Power Pool, as the Premier did earlier, but I think that if you can look back to the period of the investigation, you can see that the power prices were at all-time lows and continuing to drive downwards. I think that as companies purchase power and deliver regulated rate options for the next year, they will examine these power prices and realize that perhaps, just maybe, in the next round of regulated rate options these prices can indeed even be lower than what they are today.

THE SPEAKER: The hon. member.

MR. MacDONALD: Thank you, Mr. Speaker. To the Premier: how can this government select and pick out EPCOR and blame them for electricity deregulation, and at the same time this government does not inform Alberta consumers of who was responsible for the price manipulation at the Power Pool? How can you do that?

MR. KLEIN: Mr. Speaker, we didn't pick out EPCOR. Indeed, we don't have EPCOR in our crosshairs. I would like to allude to a previous question because someone – I believe it was the hon. member – alluded to a caucus revolt. Well, there was no caucus revolt, but I can tell you some caucus members were steaming mad, and most of those caucus members represent constituents in the EPCOR service area. These are anecdotal, but when you hear complaints of a customer waiting nine hours – nine hours – on the telephone to get service, when you see just absolutely insane discrepancies in billings, then, of course, the constituents phone the MLAs, and the MLAs bring these matters to caucus, and rightfully so. As it turned out, most, if not all, of these complaints came from MLAs whose constituents were in the EPCOR service area, particularly in the rural areas. So it's not a matter of picking on EPCOR; it's a matter of basically addressing the facts. The facts are that most of the complaints are coming from the EPCOR service area, and our MLAs legitimately are bringing these complaints to caucus to fix the problem.

Now, as a result of these complaints and the concern expressed by the MLAs on behalf of their constituents, action was taken by both the Minister of Energy and the Minister of Government Services to basically impose very serious penalties if billing practices are not properly undertaken and to submit to the Alberta Energy and Utilities Board, also, billing practices along with power rates and applications for increases.

THE SPEAKER: The hon. leader of the third party.

Electricity Billing

DR. PANNU: Thank you, Mr. Speaker. In October of this year, just last month, a report on electricity billing issues was released by a task force co-chaired by the Minister of Energy and the Minister of Government Services. The task force made a number of recommendations for correcting billing errors, but none of them involved penalizing EPCOR or any other company. The task force even pointed to unbundling, a key feature of the government's own deregulation policy, as the culprit for the billing errors that have occurred. My questions are to the Minister of Energy. Why is the Minister of Energy singling out the people of Edmonton and fining one company only when his own report shows the errors are largely a by-product of deregulation and not the fault of EPCOR alone?

THE SPEAKER: The hon. minister.

MR. SMITH: Thank you, Mr. Speaker. I know that this is kind of an unusual flip in this House, but we're actually standing up for consumer rights while the NDs are standing up for utility rights. We think that it's very important that consumers get accurate information. No marketplace can work correctly without accurate information. We have not had the same volume of complaints from areas of jurisdiction outside of the EPCOR/Aquila network. When asked to examine this by MLAs and consumers in the marketplace, we did that. We did that with a very good report that the member has alluded to, and we came up with this option.

This option doesn't single out any company starting with E. What it does say is that in this area the retail provider who administers the regulated rate option has a responsibility for correct meter-reading frequency and for correct meter-reading accuracy. We expect EPCOR and Aquila, who entertain commercial relationships, to be able to remedy these mechanical problems and deliver those solutions to the consumer, and if they don't, we have found the right mechanism that will help the marketplace function more effectively.

THE SPEAKER: The hon. member.

DR. PANNU: Thank you, Mr. Speaker. To the same minister: has the minister sought advice regarding the legality of singling out one company for regulatory punishment particularly when that company is not responsible for errors it is being fined for? If so, will he table this information?

MR. SMITH: Well, I appreciate the New Democrats' right to stand up for big business, but, Mr. Speaker, the reality is that the consumer has delivered a great deal of many more complaints. I've received them from areas such as Barrhead-Westlock, and in those areas there are examples of incorrect meter reads. There are examples of meter reads that take place five and six months apart. There is an example reported in, of all papers, the *Edmonton Journal*, accurately, that stated a customer's bill for 162,000 kilowatt-hours. Now, a person who uses some hundred to two hundred dollars worth of power a month getting a bill for 162,000 kilowatt-hours tells me that the consumer knows what he's doing, and he wants a solution.

THE SPEAKER: The hon. member.

DR. PANNU: Thank you, Mr. Speaker. Given that EPCOR is the one that's being fined, will this Minister of Energy and the Member for Calgary-Varsity apologize to the people of Edmonton for scapegoating them to deflect their political embarrassment?

MR. SMITH: Well, you know, Mr. Speaker, I will apologize to the consumers in rural Alberta who compose members and constituents of these people's ridings for the inability of commercial entities to move quickly on billing systems and meter irregularities, and I know they're going to work hard, and I know they're going to work diligently. Those companies, including the one named by the Member for Edmonton-Strathcona, who represents the other university in Alberta that is in a major city with over a hundred thousand in population, embraced deregulation right from its start. It was involved in the consultation process from 1993 and knows exactly the remedies that have to take place.

THE SPEAKER: The hon. Member for Calgary-Bow, followed by the hon. Member for Edmonton-Riverview.

Energy Industry

MS DeLONG: Thank you, Mr. Speaker. Alberta provides energy for the world. Our oil and gas is used to manufacture and transport goods around the world. Our energy keeps people in North America warm in the winter and cool in the summer. North Americans travel freely due to our inexpensive energy. A very small proportion of our energy is used to supply Alberta's own electrical power grid. Now, my first question is to the Minister of Energy. How many windmills would it take just to supply Alberta's electrical power grid or replace what currently supplies the grid?

2:00

MR. SMITH: Well, you know, Mr. Speaker, it's actually a pretty good question. It's actually a pretty good question. If you look at what was happening in renewable energy prior to deregulation, there were very few windmills in this province. Today this province boasts more windmills than any other province except for Quebec, and we will be passing Quebec with the Enmax/Vision Quest deal for McBride down in Livingstone-Macleod.

But, you know, one of the difficulties with wind power, Mr. Speaker, is that it doesn't blow at the same speed every day 365 days a year. In fact, it peaks and it valleys. So in a grid now in a province that has some 10,000 megawatts, you would actually need some 34,000 windmills to deliver a complete replacement to a grid now in Alberta that has about 60 percent of its power supplied by coal – coal-fired electrical generation – about 35 percent provided by natural gas electrical generation, and between 1 and 5 percent on hydro and on biomass and on windmills.

THE SPEAKER: The hon. member.

MS DeLONG: Thank you. Again to the Minister of Energy: what would Kyoto do to Alberta's production of nonrenewable resources?

MR. SMITH: No cash, no investment, no product, Mr. Speaker. Kyoto is one of the most visible examples of the federal government's woeful ineptitude – woeful ineptitude – on energy policy. There are many here who remember the national energy policy of 1980 and how it decimated an economy where people were working, how it, in fact, took some 60 billion plus dollars out of the economy. So the Kyoto protocol, if ratified in its present form, can shrink investment, can cost jobs, and, in fact, as Industry Canada has indicated, has a deleterious effect on Alberta's investment.

MS CARLSON: A point of order.

THE SPEAKER: The chair will recognize the hon. Member for Edmonton-Ellerslie at the conclusion of the question period.

The hon. member.

MS DeLONG: Thank you. To the same minister: what portion of Alberta's oil and gas revenues go to the federal government?

MR. SMITH: Oil and gas revenues as expressed by royalties: not one penny goes to the federal government, nor should it, because this province irrevocably has an inalienable right to these resources and an ability to develop these resources, Mr. Speaker. In fact, when you do look at what does happen, this industry is Canada's largest investment product. In fact, on an annual basis some \$15 billion worth of Canadian investment rolls into this province and creates a tremendous amount of jobs. The industry pays some 2 billion dollars in income tax, and in fact we see economic activity totaling some 50 billion dollars. This industry is the lifeblood of this province. This industry is the envy of countries throughout the world, and why a federal government would take active measures to decimate it is absolutely beyond my comprehension.

THE SPEAKER: The hon. Member for Edmonton-Riverview, followed by the hon. Member for Edmonton-Rutherford.

Security of Registry Offices

DR. TAFT: Thank you, Mr. Speaker. Identity theft in post September 11 Alberta seems rampant. Criminals have broken into a string

of registry offices in the last year, and last week alone thieves broke into the same Edmonton registry office twice, stealing almost a thousand blank drivers' licences to go with a computer, monitor, and photo printer. Police warned that if the same bandits are responsible for both crimes, they now have all the equipment needed to print fake drivers' licences. To the minister of Government Services: does the minister have any idea what the street value of high-quality, custom-printed fake drivers' licences is?

MR. COUTTS: Well, Mr. Speaker, it's an amazing thing. Every radio station and every television station has provided the input for that question here today over the last 24 hours. I must say that even though the hon. member opposite makes mention that there is probably a correlation between the two thefts, one happening last Tuesday and another one happening on Friday, there is absolutely no evidence that the two are related at this point in time. Even amongst the police service there is only speculation that they are related, and you talk to another police service and there is speculation that they aren't related. So to the question that the hon. member gives me: no; I can't say that any information that was given out actually can be correlated to the second theft. It is too bad that there were professionals that went in there and cleaned that place out in less than four minutes.

DR. TAFT: The minister is indeed right. All of Alberta is waiting for answers, and they're still waiting.

Why does this minister continue to downplay these security breaches when even the police are telling people to be vigilant about discarding documents containing personal information?

MR. COUTTS: Well, Mr. Speaker, let's first of all clarify one thing. The cards that were secured on Friday night: there was no information on them whatsoever. They are blank cards, and with the equipment that was stolen, there is no way for the individuals to gain access to our database to put anybody else's information on those blank cards. Absolutely no way.

Let me say, Mr. Speaker, that we are putting forward a request for proposals, as I mentioned in this House last Thursday, for a central issuance of drivers' licences that will stop this type of thing, but at the same time it will still ensure that Albertans out there will still get their registry agents' service from the 227 registry agents that are in this province. That service will be provided all across Alberta, but it will be safe and secure for a driver's licence issuance out of a central office.

DR. TAFT: Given that the minister recognizes that professional thieves were involved and given that the minister in Thursday's question period made public where the thieves who committed last Tuesday's break-in could find the special paper they were missing and that they went back two days later and stole the safe containing the information, will the minister finally admit that he has no handle whatsoever on this issue?

MR. COUTTS: Mr. Speaker, we have a very good handle on this issue, very, very good. That's truly just speculation by the member opposite. I took the opportunity to phone the president of the Alberta Registry Agents Association when the second break-in took place, and I asked him to do a survey of his members, to do something to alert them to the fact that there are unscrupulous people out there. We always have to be reminded of this. He had within five minutes of my phone call sent a communique to every one of his registry agents' offices to alert them to the fact that there are people out there looking at this equipment and to beef up their security

measures. So that's the action that this government takes, that's the action that this department takes to make sure that everything is safe and secure for Albertans.

Funding for Police Services

MR. McCLELLAND: My question is first to the Solicitor General. The Edmonton Police Commission claims that the provincial government is not paying its fair share of the cost of providing police services directly attributable to the province's responsibilities, responsibilities such as document service, commercial vehicle inspection, parole apprehension. The release of patients with mental difficulties into the community often results in police involvement, as does the number of halfway houses and the increasing number of conditional sentences being served in the community. My question to the Solicitor General: is this true?

THE SPEAKER: The hon. minister.

MRS. FORSYTH: Thank you, Mr. Speaker. On the question that the hon. member has brought out, we do have concerns about police funding across this province. We not only heard it from Edmonton but around the entire province. Municipalities are coming to us about police funding. Under the Police Act police officers are responsible to perform all duties necessary to carry out their functions as peace officers, including apprehending individuals and executing warrants. I am in the process of meeting with all of the police chiefs across this province. I'm interested in hearing their concerns and some of the ideas that they have to deal with this specific problem. I'd be pleased to meet with Mayor Smith, who brought this to our attention, and Chief Wasylyshyn and will be meeting with the Alberta Association of Chiefs of Police in December.

THE SPEAKER: The hon. member.

2:10

MR. McCLELLAND: Thank you. My supplementary question is to the Minister of Municipal Affairs. Is it possible to identify funds transferred in support of policing responsibilities in the current block funding to municipalities?

THE SPEAKER: The hon. minister.

MR. BOUTILIER: Yeah. Thank you, Mr. Speaker. Many years ago the Municipal Affairs ministry used to transfer conditional grants, where we would tell municipalities where the money had to be spent, but we thought that, in partnership with them, they know best where the money can be spent. This past year almost \$32 million, what we refer to now as unconditional grant money, has been allocated to municipalities from every corner of our province. Of that portion, \$8.8 million went to the city of Edmonton. They determine the best priority where it can be used. Part of that, of course, is towards policing.

THE SPEAKER: The hon. member.

MR. McCLELLAND: Thank you. My final supplementary is to the Minister of Finance. The Edmonton Police Commission has suggested that because alcohol is an underlying factor in much of the expense related to policing, perhaps a portion of the income that the province gets as a result of the sale of alcohol should be returned directly to policing. Is that an idea that could be given consideration?

MRS. NELSON: Well, Mr. Speaker, the proceeds from the sale of liquor, along with all the other revenue basis that we have, such as royalties and income tax, et cetera, are pooled in what's called the general revenue fund. The general revenue fund supplies the revenue base for all of the core programs that we offer through our government. One of those core programs, of course, is dealing with funding for municipalities in the form of an unconditional grant. Those dollars do flow through to the unconditional grant that is given to municipalities to pay for services such as policing, fire, roads, et cetera, so in essence those dollars do flow through the general revenue fund to municipalities. Now, what municipalities do when they receive those unconditional funds is something they must determine based on the requirements of their own municipality. We don't get involved in telling them what to do with the dollars we've granted forward.

Swan Hills Treatment Centre

MR. BONNER: Mr. Speaker, the government's toxic waste plant in Swan Hills has cost taxpayers about \$500 million since it opened for business, losing \$9.5 million last year alone, making it the provincial equivalent of the federal Sea King helicopters. Rather than shutting down this environmental and economic liability, this government continues to throw good money after bad, and it's now negotiating a sweetheart deal with a subsidiary of the financially shaken Tyco industries. My first question is to the Minister of Infrastructure. What subsidies and profit guarantees using taxpayers' money will Earth Tech receive to operate this plant?

MR. LUND: Mr. Speaker, to move this plant out to the private sector, we went through a very extensive process of first calling for requests for qualifications and then going forward with a request for proposal to take over the operation of the plant. We are currently working with the company that won the RFP. Of course, the objective would be to not have to provide any assistance to the operation of this plant.

But I think the hon. member must remember what a tremendous asset that plant is to the province of Alberta. It has done a tremendous job. It has cleaned the province of PCBs. It is currently processing many very toxic materials that would have to be processed at some location. It's not a lot different than what we as government have done to protect the environment relative to the utilities, the garbage collection, the various programs that we have to keep the province clean. This is just another example. It's a utility that is very, very important to protect the environment here in Alberta.

MR. BONNER: To the same minister: will the minister table the cost-benefit analysis showing why it makes financial sense to keep this plant operating at great taxpayer expense rather than shutting it down?

MR. LUND: Mr. Speaker, I find it very interesting that the Liberal Party would suggest that protecting the environment is something that the government shouldn't be into. I find that extremely difficult to accept. The fact is that the industry that we have in Alberta does generate very toxic materials, and in order for those to be processed and for the environment to be protected, we need to have a facility similar to the Swan Hills plant.

It was extremely interesting as we went through this RFP. A multinational company was very interested in it, and some of the comments that they made about that plant I found extremely interesting. For example, they said that as far as they could see –

and they're worldwide – there's no other plant like it in North America that can process PCBs, that can totally destroy those kinds of toxic materials. So, Mr. Speaker, for the hon. member to stand in this House and condemn that plant, I find it very disturbing.

MR. BONNER: Mr. Speaker, to the same minister: why did your government break their promise to Albertans that full public consultation would be done before toxic waste was imported from other jurisdictions?

MR. LUND: Mr. Speaker, the hon. member has very, very selective memory. Perhaps, as some hon. members have suggested, he does not have a memory at all. The fact is that there was a period of time when the plant, it was said, would only process Alberta waste but that beyond that it could possibly import waste from other provinces. That is exactly what's happened. There was no breaking of any promise. This is exactly what was laid out at the time when the plant was first commissioned.

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

Low-income Review Report

MR. CAO: Thank you, Mr. Speaker. The report from our capable MLA committee that reviews low-income programs was released last May. I continue to hear from my constituents who are asking when they can expect to see changes in the province's income support programs. My question today is to the Minister of Human Resources and Employment. Why is it taking so long to implement the recommendations of the MLA committee?

MR. DUNFORD: Well, Mr. Speaker, we've talked about the low-income review report in the House on previous occasions, a very extensive report. There have been a number of recommendations from that report that have been implemented. One of the things, though, that we're currently waiting for is the final release of market basket measurements for, really, across Canada but specifically for the area here in Alberta, so then we'll have a better feel for what sorts of benefit levels we ought to be looking at here in the province. So I understand the concern on many people's part. In some cases it's actually led to some frustration. But we want to do it right, so we're going to take the time to make sure that it's done right.

THE SPEAKER: The hon. member.

MR. CAO: Thank you. My supplemental question is to the same minister. Mr. Minister, when will the talk become the walk in helping Albertans in need?

MR. DUNFORD: Hey, very good. That's the way. When I was a backbencher, that's what I did too; you bet.

I think I answered the question in the first part of my answer, Mr. Speaker.

MR. CAO: My second supplemental question is to the same minister. The low-income review proposed phasing in the market basket measurement as a benchmark against which to assess the benefit rates and also proposed increasing resources to clients whose income is less than the MBM. Mr. Minister, when will Albertans in need get an increase in their needed financial assistance?

2:20

MR. DUNFORD: Well, again, to go back to my first answer, we've been working with the federal government and other provincial

jurisdictions on the market basket measurement. We think it's a better indicator of what is required in order to survive and to compete within a particular economy, and we think it'll be a better benchmark than what's been available to us. We'd expect that we should start receiving at least on a quarterly basis some firm statistics early in '03. Of course, as far as the benefit levels, that's all subjective, as the hon. member already knows, because he attends our standing policy committees. It's a matter now of getting ready for next year's budget.

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

Labour Relations Code

MR. MASON: Thank you very much, Mr. Speaker. On Friday afternoon a settlement of the long and drawn-out strike at the Shaw Conference Centre was finally reached, after the workers at Shaw had pounded the pavement for six long months while their employer tried every trick in the books to break the union. While the cooks, dishwashers, waiters, and busboys suffered on the picket line, EDE was repeatedly found in violation of Alberta's labour code by the labour board. Despite this, the labour board was unable to impose any penalties on EDE because Alberta's labour laws are so inadequate and biased in favour of employers. To the Minister of Human Resources and Employment: why is there no penalty which the labour board can impose in cases like EDE and this strike, where they were found in violation of the labour code?

MR. DUNFORD: The labour code in Alberta, Mr. Speaker, contemplates that the government would play an active role but, you know, as a referee or some entity that would provide for a level playing field. I think that in Alberta we actually do that. When you look at some of the measurements that one is concerned about within labour relations, you'd want to look at the number of agreements that are settled without job action, you'd want to look at the productive time that's lost due to strikes. In both areas Alberta is actually leading the nation. So to characterize the Alberta Labour Relations Code as something that is in dire need of repair is certainly not representative of the actual fact. The code itself, of course, provides for penalties that are deemed to be necessary by the labour relations community here in the province.

MR. MASON: Thank you, Mr. Speaker. Well, then, will the minister tell the House: why is it that the government comes down like a ton of bricks on workers and their unions when they violate the labour code but twiddle their thumbs when an employer does the same thing?

MR. DUNFORD: Mr. Speaker, I think that that's an unfair characterization of the role that the government plays. Clearly, under the Labour Relations Code it is the responsibility of employers or employees to bring actions. Although the particular instance was not characterized by the hon. member, I think we all know the one that he's referring to, and if he has a concern about that, he ought to be talking, then, to the employer group and not the government.

THE SPEAKER: The hon. Member.

MR. MASON: Thank you, Mr. Speaker. Given that the ministry has responsibility for ensuring that labour disputes are settled in a fair manner, will the minister bring forward amendments to the labour

code which would give the labour board the teeth it needs to enforce the law when an intransigent employer deliberately violates it?

MR. DUNFORD: Mr. Speaker, we've just had a government MLA committee look into whether or not there should be a general review of the Labour Relations Code, and earlier today I actually received that report. Now, we've not had time to go through it and its various recommendations, but certainly that will be part of the responsibility that we'll have. We'll go through it and through every recommendation, and I believe we'll take responsible action, then, based on those recommendations, and I want to congratulate the government MLA team for the work that they did.

THE SPEAKER: The hon. Member for Edmonton-Ellerslie, then the hon. Member for Calgary-North Hill.

Water Management

MS CARLSON: Thank you, Mr. Speaker. The scientific community has recognized that the status of our water resources will become the foremost ecological concern of the 21st century. Drought, contamination, and the commodification of our water supply threaten the livelihoods of all Albertans and the sustainability of their communities. To the Minister of Environment: how will the minister ensure a dependable supply of clean water to Albertans?

THE SPEAKER: The hon. minister.

DR. TAYLOR: Well, thank you. The member has actually put her finger on a very important issue for Alberta as we go forward, Mr. Speaker. I've always said that water will be the issue of the 21st century, and that's why we started late last year and continued into this year with the development of a water strategy. In fact, we held a forum in Red Deer – I think it was in May of this year – where we brought in people from all over this province and from all different viewpoints to have a discussion on water and the ways that we should deal with some of these significant water issues that we're facing in the province. Certainly, as we go forward, I've seen the first feedback from that meeting, the report, just last week. We're in the process as a department of just preparing those reports from those meetings, and then we'll bring recommendations forward to this House.

MS CARLSON: How does the minister expect to be able to manage the potential for contamination with water transfers?

DR. TAYLOR: Well, Mr. Speaker, I assume that she's referring to the Red Deer issue, where we have taken from the community an initiative. The number of communities around Red Deer is growing rapidly, as you know, and as a direct result of this they are having trouble with providing high-quality drinking water to the communities. So rather than trying to upgrade all those smaller communities to a certain level, the communities got together with Red Deer and said that we should, you know, upgrade Red Deer's plants and then pipe the water to these various communities: Penhold, Sylvan Lake, Lacombe, Blackfalds, and there may be several others.

As we do that, we're actually taking water from the Red Deer River basin, which is part of the South Saskatchewan River basin, and in some of the communities they put it back into the Battle River basin, which is part of the North Saskatchewan River system, Mr. Speaker. So you do have what under our legislation is considered an interbasin transfer, but the water that goes back into the Battle River is treated water.

MS CARLSON: Mr. Speaker, the question was a much larger issue. What is this government doing to ensure that water transfers in this province will never make water a commodity under the terms of the North American free trade agreement?

DR. TAYLOR: Well, certainly, we have investigated NAFTA as it refers to the one water transfer that we are doing, Mr. Speaker, and it has absolutely nothing to do with NAFTA. All the legal experts quite clearly point out that this type of basin transfer that we're doing, you know, has nothing to do with NAFTA.

THE SPEAKER: The hon. Member for Calgary-North Hill.

Age of Consent

MR. MAGNUS: Thank you, Mr. Speaker. In 1998 this Legislature passed a motion supporting raising the age of consent to 16 years of age from the current 14 years of age. A couple of weeks ago Canada's justice ministers met in Calgary, where the issue received much attention, but in the end the ministers decided to do nothing with respect to this issue. My questions today are to the Minister of Justice and Attorney General. Can the minister explain to Albertans why there is such reluctance by the justice ministers of Canada with raising the age of sexual consent?

THE SPEAKER: The hon. minister.

MR. HANCOCK: Well, thank you, Mr. Speaker. An excellent question and one that does need some clarification. I would want to indicate to this House that, first of all, the hon. Solicitor General and myself as representatives of Alberta at the meeting advocated very strongly for a change to the law with respect to the age of consent. I should also indicate to this House that all justice ministers across this country believe that we need to do more to protect children from predators.

The issue with respect to the age of consent was a question of whether or not we could best do that by raising the age of consent from 14 to 16 – and, in my personal view, it should probably go up to 18 – or whether that should be accomplished by changing the law, the Criminal Code, with respect to how you determine who the predators are and how you deal with the predators. At the conclusion of the meeting we weren't able to get unanimous agreement among the provinces and, unfortunately, as a result of that, Mr. Speaker, the federal Attorney General indicated that he would not proceed with a change to the Criminal Code with respect to the age of consent law, but he did make a commitment to move with respect to changing the law with respect to predators.

2:30

THE SPEAKER: The hon. member.

MR. MAGNUS: Thank you, Mr. Speaker. How do our laws compare to those in other jurisdictions around the world?

MR. HANCOCK: Well, Mr. Speaker, the answer to that indicates that we lag behind other areas of the world when it comes to protecting our children in this area. Under Canadian law, of course, right now, as we know, the age of consent is 14, and there is really nothing you can do unless you can prove that somebody is in a position of authority under section 153 of the code to protect children from adult predators. Around the world it's a different story. In 49 states of the U.S., in England, in Austria, in Belgium, in Australia, in Luxembourg the age of consent is 16, and in France the age of consent is 15. Canada has a long way to go.

THE SPEAKER: The hon. member.

MR. MAGNUS: Thank you, Mr. Speaker. Again to the same minister: given the terrible impact that this nondecision has on the children and families who are the victims, is there any hope that the ministers responsible for justice in our country will see the wisdom and make changes that Albertans, Canadians, and, indeed, this Legislature have asked for?

MR. HANCOCK: Well, Mr. Speaker, I remain ever hopeful that we'll be able to convince all provincial governments to agree that we need to raise the age of consent. At each meeting that I've been to since I've been minister, the issue has been on the table, and it will be on the table at every meeting that I go to until we achieve success.

I should indicate, Mr. Speaker, that we have achieved some success. The federal Attorney General has agreed that in a bill that he's to introduce before Christmas he will bring in provisions, presumably to amend section 153, to increase the number of provisions dealing with those people who would be classified as predators, those people who can be prosecuted for engaging in sexual activity with persons under the age of 18. I hope and trust that in doing so he will go a long way to achieve the result that we've asked for from this Legislature over and over again.

THE SPEAKER: Hon. members, before calling on the first of four members today to participate in Members' Statements, might we revert briefly to Introduction of Guests?

[Unanimous consent granted]

head: Introduction of Guests (reversion)

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

MR. HORNER: Thank you, Mr. Speaker. I see that my group is filing out right now, but I did want to introduce to you and through you to all members of the House 63 visitors who have been visiting with us from J.J. Nearing school. J.J. Nearing is part of one of the fastest growing parts of St. Albert. They're great kids. They were accompanied by teachers Mrs. Christine Sowinski, Mrs. Teresa Belland, Mrs. Sonia Reid, and parent helpers Mrs. Lisa Hamilton, Mrs. Karen Wolansky, Mrs. Gerri Owen, Mrs. Linda Gull, Mr. Kevin Searcy, and Mrs. Carolyn Saccucci. I believe there are still a few of them left in the gallery. I'd ask them to stand and receive the warm welcome of the House.

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

MS BLAKEMAN: Thank you very much, Mr. Speaker. I'm very fortunate to have about a dozen seniors' residences in my constituency of Edmonton-Centre, and one of the most active is Kiwanis Place. The seniors there are a very lively bunch. They like to get out and about, and they're certainly very politically aware. We have some of them joining us. A group of 13 are in the members' gallery today. I would ask the group to please rise and receive the warm welcome of the Assembly.

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

DR. TAFT: Thank you, Mr. Speaker. It's my pleasure to introduce to you and through you to the Assembly Mr. David Cournoyer, a

guest in the public gallery. David is a recent recipient of the Queen Elizabeth Golden Jubilee commemorative medal for his extensive volunteer work, and I know that he has a very bright future for he is also very active in the Alberta Liberal Party.

Thank you, Mr. Speaker.

head: **Members' Statements**

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

Kyoto Protocol

MR. CAO: Thank you, Mr. Speaker. Personally, I have lived and worked and traveled in many parts of the world. I love our homeland, Canada, with its treasures of blue skies, white snow, fresh water, and green woodland. Yes, we must continue protecting our environment. Yes, we must continue reducing our wasteful consumption. Yes, we must continue developing our first-class technology. We have been doing all of this very well long before and without the Kyoto protocol.

In my early childhood my mother told me an oriental fable. One day a group of toads jumped out of their burrow into an open field. It was their first time out, and they were all elated by the large expanse and in awe at the size of a bull munching leisurely by. One toad boasted that it could be as big as that bull. The others challenged and egged it on. It gulped in air, holding its breath, one after another, ballooning up bigger and bigger, still not big enough to be the size of the bull. Its friends cheered it on. Boom. It exploded. In terms of global climate change there are many big bulls out there, Canada definitely and proudly not one of them. Please do not try to be one, becoming like the blown-up toad in my mother's fable.

From the global perspective Canada is big in geographical size but small in the rest. Frankly, our Canada is not bull sized in the world, so to speak. Canada has only 30 million people, .5 percent of the world's 6 billion consumers. We are currently attributed with only 2 percent of the world's emissions, equivalent to the margin of error in any global and geological calculation. Canada's Kyoto protocol targets affect only within that 2 percent globally. Out of the remaining 98 percent of global emissions 65 percent are from countries that do not accept the Kyoto protocol. A well-known engineering professor told me that. For example, eight months from now China's accumulated emissions will be as much as Canada planned to remove in the next 10 years to meet the Kyoto target.

Globally speaking, the quality of our air, water, and land is the envy of the world. As we all care about our planet, Canada should snap out of its trance of environmental self-flagellation and start helping other countries to catch up to our current environmental quality.

Thank you.

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

Teachers' Compensation

MS KRYCZKA: Thank you. Mr. Speaker, I have been an employee in the public sector as a Calgary board of education guidance counselor and therefore a member of the ATA. I have also been employed in the private sector as a personnel administrator of a large law firm. I believe it is time for this government to seriously consider a new approach to compensating teachers.

I do believe that excellent teachers are highly valued in our society the same as excellent employees are valued in other industries or sectors. In fact, every student deserves the very best education possible just as every Albertan deserves the best in health care services, financial planning services, and so on. But teachers

are compensated using an outdated 35-year-old grid approach that uses two basic criteria: years of education and years of experience.

What about additional, very important criteria such as recognition of workload or responsibilities beyond the basic expectations or attitude or specialized training or effective teaching skills or student improvement? Most employees in any given workplace know that there is a varying degree of excellence, hard work, and productivity between workers, and most employees would favour a compensation system that fairly and individually rewards performance. I know from experience how far 2 percent, for example, of any size of salary budget can go toward fair increases in compensation: from 1 percent through a range of 10 percent or more, where deserved.

Why are excellent teachers leaving the public system, and why are potentially excellent teachers choosing other careers? One obvious factor is the disincentive to superachieve or work very hard because one teacher is compensated on the same basis as every other teacher. Is this the compensation system that we really want for entrepreneurial Alberta?

Thank you.

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

2:40

Class Sizes

DR. MASSEY: Thank you, Mr. Speaker. On November 5 voters in the state of Florida endorsed the constitutional amendment to reduce class size, this over the strenuous objections of Governor Jeb Bush and a coalition of advocates objecting to the costs of smaller classes. The half million dollar study conducted by the Learning department in Edmonton confirmed what has been learned time and time again elsewhere: one, children in smaller classes consistently outperform children in larger classes; two, by the end of third grade students in small classes outperform their large-class peers significantly in reading and in mathematics; three, children in small classes consistently outperform regular classes with aides; four, the gains achieved in early years by students are maintained in later grades; five, children in smaller classes are less likely to be held back a grade; and six, K to 3 to students in smaller classes participate more in subsequent grades.

We need to act so that another generation of Alberta children is not robbed of the gains possible in smaller classes. If the government can't or won't bring itself to believe the research on smaller classes and hides behind flexibility, then let's give the schools flexibility and class-size funds to test other strategies. Let's explore some of the promising preschool programs that last until a child reaches kindergarten. Let's try the early/late class arrangements where part of a class arrives earlier for school and part remains late so teachers may work with smaller groups. Let's try out the tutoring programs that hold the same promise as smaller classes. Then let's plan to incorporate these promising practices we find on a province-wide basis. If there's no money today, let's at least begin making plans for the future.

Through budget decisions the government has made certain that class sizes will not only fail to decrease but will increase this year. Maybe the only hope for Alberta children is a Florida-type referendum at the next election.

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

Family Violence Prevention Month

MRS. ADY: Thank you, Mr. Speaker. November has been declared Family Violence Prevention Month in Alberta by the Minister of Children's Services. This is the 16th year Family Violence Preven-

tion Month has been proclaimed in our province. This year's theme is Children Learn What They Live. This is a very simple statement but very profound because we know that children soak up what they see in their everyday existence. Indeed, what occurs in their earliest years affects them for the rest of their lives. The goal of Family Violence Prevention Month is to raise public awareness about family violence issues as well as the community prevention programs that are available.

The Children's Service ministry spends about \$14 million annually on family violence prevention and supports. The ministry helps to fund 29 shelters, family violence prevention centres, and second-stage housing facilities across the province that provide programs to help victims of family violence rebuild their lives. These programs are delivered in the community by community-based organizations, and we're so proud to partner with them, and we're so proud of the work that they do. The province also works closely with the Alberta Council of Women's Shelters to enhance services for victims of family violence.

November is a time to reflect on the responsibility we all have to end family violence. We all have a responsibility to lend a helping hand, to take a stand that family violence will not be tolerated, and to help break the cycle of abuse. Only by working together can we continue to raise awareness of this serious social problem and create an environment where victims feel safe to come forward for help.

I urge Albertans to take part in Family Violence Prevention Month activities in their communities to help raise awareness of this very serious issue. If you are a victim of family violence, please call your local police, RCMP, or tribal police. Help is available. For information about local family violence services and programs call the child and family services authority in your area toll free at 310-0000.

Thank you, Mr. Speaker.

head: **Presenting Petitions**

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

MR. McCLELLAND: Thank you, Mr. Speaker. It's my privilege to present a petition on behalf of 4,811 citizens . . .

MR. HUTTON: How many?

MR. McCLELLAND: Four thousand eight hundred and eleven, who signed a petition petitioning and requesting the government to reconsider its position on community lottery funds. This was presented last June, and this is the first opportunity that I've had to present it to the House.

THE SPEAKER: The hon. Member for Drayton Valley-Calmar.

REV. ABBOTT: Thank you, Mr. Speaker. Today I'm presenting a petition signed by 40 residents of Drayton Valley-Calmar, and later I will be tabling an additional 424 signatures on the same issue. This petition urges the government of Alberta to "remove abortion from the list of insured services that will be paid for through Alberta Health."

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

MR. LOUGHEED: Thank you, Mr. Speaker. I'd like to table a petition signed primarily by residents of Fort Saskatchewan. These constituents request that abortion be removed from the list of insured services provided by Alberta Health.

THE SPEAKER: Hon. Member for Calgary-Fort, did you have a petition you wanted to table?

MR. CAO: I have a report, sir.

THE SPEAKER: Well, we've missed that part in the Routine. It's normally under Presenting Reports by Standing and Special Committees. We'll move on.

head: **Notices of Motions**

MR. JONSON: Mr. Speaker, today I wish to give notice of the following motion.

Be it resolved that the Legislative Assembly of Alberta, consistent with its commitment to protecting Alberta's environment, hereby endorses and accepts the following principles agreed to by all provinces and territories on October 28, 2002, to provide the basis for the development of a national climate change action plan.

- (1) All Canadians must have an opportunity for full and informed input into the development of the plan.
- (2) The plan must ensure that no region or jurisdiction shall be asked to bear an unreasonable share of the burden and no industry, sector, or region shall be treated unfairly. The costs and impacts on individuals, businesses, and industries must be clear, reasonable, achievable, and economically sustainable. The plan must incorporate appropriate federally funded mitigation of the adverse impacts of climate change initiatives.
- (3) The plan must respect provincial and territorial jurisdiction.
- (4) The plan must include recognition of real emission reductions that have been achieved since 1990 or will be achieved thereafter.
- (5) The plan must provide for bilateral or multilateral agreements between provinces and territories and with the federal government.
- (6) The plan must ensure that no province or territory bears the financial risk of federal climate change commitments.
- (7) The plan must recognize that benefits from assets such as forest and agricultural sinks must accrue to the province and territory which owns the assets.
- (8) The plan must support innovation and new technology.
- (9) The plan must maintain the economic competitiveness of Canadian business and industry.
- (10) Canada must continue to demand recognition of clean energy exports.
- (11) The plan must include incentives for all citizens, communities, businesses, and jurisdictions to make the shift to an economy based on renewable and other clean energy, lower emissions, and sustainable practices across sectors.
- (12) The implementation of any climate change plan must include an incentive and allocation system that supports lower carbon emission sources of energy such as hydroelectricity, wind power generation, ethanol, and renewable and other clean sources of energy.

Be it further resolved that this Assembly, in the absence of agreement on a national plan by provinces and territories, denounces any unilateral ratification by the federal government of the Kyoto protocol in violation of the principles of constitutional law, convention, federalism, and long-established practice whereby the federal government must adequately consult with and seek the consent of provinces prior to ratification of international treaties or agreements that affect matters of exclusive provincial jurisdiction or that require provincial actions or legislation to achieve implementation where implementation will result in significant harm to the economy of Alberta and of Canada.

Thank you, Mr. Speaker.

MS CARLSON: Mr. Speaker, in accordance with Standing Order 15

I hereby give notice to all members of this Assembly that I intend to raise a question of privilege in this House at the appropriate time.

head: **Introduction of Bills**

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

Bill 230 Community School Partnerships Act

DR. MASSEY: Thank you, Mr. Speaker. I request leave to introduce a bill being the Community School Partnerships Act.

This bill recognizes the unique position schools have in a community and their potential to be a central force in drawing together and strengthening a sense of community. I believe the bill could have a significant and positive impact on small schools, Mr. Speaker.

[Motion carried; Bill 230 read a first time]

2:50

head: **Tabling Returns and Reports**

THE CLERK: Pursuant to Standing Order 37.1(2) I wish to advise the House that the following documents were deposited with the office of the Clerk by hon. Mr. Stevens: pursuant to the Gaming and Liquor Act the Alberta Gaming and Liquor Commission 2001-2002 annual report and pursuant to the Racing Corporation Act the Alberta Racing Corporation 2001 annual review.

THE SPEAKER: The hon. Minister of Municipal Affairs.

MR. BOUTILIER: Thank you, Mr. Speaker. I'm pleased to table in the Assembly today five copies, the requisite number, of annual reports for the Municipal Affairs delegated administrative organizations. The organizations included today are the Alberta Boilers Safety Association, the Alberta Elevating Devices and Amusement Rides Safety Association, the Petroleum Tank Management Association of Alberta, the Alberta Propane Vehicle Administration Organization, and a summary of the annual reports from the authorized accredited agencies.

THE SPEAKER: The hon. Minister of Human Resources and Employment.

MR. DUNFORD: Thank you, Mr. Speaker. I have six reports to table. The first is the Alberta Land Surveyors' Association report of proceedings of the 93rd annual general meeting of May 2 to 4, 2002; the Association of Professional Engineers, Geologists and Geophysicists of Alberta 2001-2002 annual report; the Certified General Accountants Association of Alberta 2002 annual report and annual general meeting and proxy information; the WCB-Alberta 2001 annual report; the Institute of Chartered Accountants of Alberta annual report 2002; and the College of Alberta Professional Foresters annual report 2001-2002.

THE SPEAKER: The hon. Member for St. Albert.

MRS. O'NEILL: Thank you, Mr. Speaker. I wish to table in the Legislature today the appropriate number of copies of a submission that was made to me last May with respect to the funding formula for grade 10 students.

THE SPEAKER: The hon. Minister of Community Development.

MR. ZWOZDESKY: Thank you. Mr. Speaker, I rise today pursuant to section 22(4) of the Persons with Developmental Disabilities Community Governance Act to table the appropriate number of copies of the Persons with Developmental Disabilities 2001-2002 annual report, as provided courtesy of the PDD Alberta Provincial Board.

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

MR. YANKOWSKY: Thank you, Mr. Speaker. I rise to table a letter signed by 30 members of the Happy Homesteaders square dance club in Leduc, Alberta, requesting that square dancing be declared as the official dance of Alberta, and they give reasons why they would like to see this happen.

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

DR. TAFT: Thank you, Mr. Speaker. I rise today to table the appropriate number of copies of a summary of an article from the very prestigious *Journal of the American Medical Association* from last week. The objective of the study was to determine whether a difference in mortality rates exists between for-profit and not-for-profit dialysis centres, and it found that six of the eight studies showed a statistically significant increase in mortality in for-profit centres.

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

DR. MASSEY: Thank you, Mr. Speaker. With permission I'll file five copies of the November 5, 2002, general election results in Florida, specifically the amendment to reduce class sizes, which was passed.

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

MR. MacDONALD: Thank you very much, Mr. Speaker. I have three tablings today. The first is a workbook from the city of Edmonton community services and Capital City Savings. It's the Edmonton Task Force on Community Services for Seniors, and I had the pleasure to be involved in developing some comments in regard to this workbook on Saturday, November 16, at the Southeast Edmonton Seniors Association.

My second tabling is a letter that was written by myself on behalf of the Official Opposition to the hon. Minister of Energy, and it is in regard to a request for an immediate and independent audit of the billing practices of electricity retailers in Alberta.

The third tabling I have today is the actual posted pool price for November 25, 2002, at the Power Pool in Alberta. It's scandalous, Mr. Speaker. Alberta consumers are now going to have to check the Power Pool web site in the future before they turn on their ovens at 6 o'clock in the evening, because the electricity wholesale price last night was . . .

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

DR. PANNU: Thank you, Mr. Speaker. I'm tabling five copies of a letter that I received from the executive director of the Calgary Women's Emergency Shelter, Ms Mary Ann Sanderson. The letter is dated November 12, 2002. In this letter Ms Sanderson expresses concerns about some fears that she has about the cuts to or cessation of the crucial funding sources coming from FCSS, and the effects that they would have would be primarily negative on the services

that her shelter has been providing to hundreds and hundreds of families who are under stress.

Thank you, Mr. Speaker.

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

MR. MASON: Thank you very much, Mr. Speaker. I'm tabling today five copies of an Edmonton residential power bill showing a dramatic increase in power rates due to this government's bungled deregulation scheme.

THE SPEAKER: The hon. Member for Drayton Valley-Calmar.

REV. ABBOTT: Thank you, Mr. Speaker. As mentioned earlier, I am now tabling five copies of 424 signatures. It says, "We the undersigned residents of Drayton Valley and area petition the government of Alberta to deinsure abortion."

Thank you.

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

MR. CAO: Thank you, Mr. Speaker. With your permission I would like to table speaking notes about the Kyoto protocol from Professor David Wilson of the engineering faculty of the University of Alberta. Professor Wilson has been a concerned environmentalist for over 30 years and says in his notes, "I strongly oppose ratifying Kyoto for 3 reasons." The time frame for . . .

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

MS BLAKEMAN: Thank you very much, Mr. Speaker. I have two tablings today. The first is a note from a constituent, Alvin Schrader, adding his voice of support for the timely passage of Bill 30.

The second tabling is from Tanya Coles, an e-mail of her disapproval of allowing any penned hunting.

Thank you very much.

THE SPEAKER: Hon. members, I'm pleased to table in the House today the 2001-2002 School at the Legislature annual report.

Now, before dealing with Orders of the Day, we have a purported point of order. The hon. Member for Edmonton-Ellerslie.

Point of Order Anticipation

MS CARLSON: Thank you, Mr. Speaker. I rise under Standing Order 23(e), which provides that a member will be called to order by the Speaker if that member "anticipates, contrary to good parliamentary practice, any matter already on the Order Paper or on notice for consideration on that day." I am referencing the second question given by the Member for Calgary-Bow this afternoon, where she directly referenced Kyoto and subsequent implications. Not only on the Order Paper today but, as agreed to by House leaders in this Assembly, we will be spending the whole afternoon and the whole evening on Bill 32, the Climate Change and Emissions Management Act, which directly deals with this issue. In fact, the third whereas in the bill is a direct challenge to Kyoto.

I would refer the Speaker to former rulings that he had made. The last time we had an issue of this kind of importance in the Assembly, which caused protracted debate to occur, was back in April of 2000. Prior to that debate on the bill occurring, the Speaker gave a ruling on anticipation the day before the debate started and talked about how they will be called to account if this happens and then subsequently in that year of 2000 on April 4, April 6, April 13, and three

times on April 19, ruled a question as anticipation prior to an answer being given. In this case an answer was given, so we would ask for a ruling on this, please.

THE SPEAKER: The hon. Government House Leader on this point

MR. HANCOCK: Thank you, Mr. Speaker. As usual the hon. House leader opposite makes much ado about nothing. Kyoto is not on the Order Paper for today, although with the notice of motion for tomorrow Kyoto is definitely on the Order Paper for tomorrow. Today we're talking about Alberta's plan: climate change and emissions management. Climate change and emissions management is clearly not Kyoto. It has nothing to do with Kyoto. It is nowhere related to Kyoto. It's about prudent management of resources in this province. It's about an intelligent plan to deal with climate change. It has absolutely nothing to do with Kyoto. That hon. member, if she'd been listening lately, would know that.

3:00

THE SPEAKER: Well, hon. members, the chair thought that the question period was moving along very, very smoothly today and was going to congratulate all the members for such, but the point being made by the hon. Member for Edmonton-Ellerslie is that in the second question raised by the hon. Member for Calgary-Bow, the hon. member raised the word "Kyoto." There was no intervention from the chair, and that's absolutely correct, as there was no intervention from the chair either when the hon. Member for Edmonton-Riverview added a preamble of some considerable length to his second question. The chair from time to time has indicated that the chair will bend over backwards to give an opportunity for all private members to in essence have the greatest amount of flexibility with respect to the subjects that they would want to raise with members of Executive Council. The chair thinks this is much to-do about nothing. This is not a point of order.

Now the hon. Member for Edmonton-Ellerslie on your notice of motion on a purported point of privilege.

MS CARLSON: Thank you, Mr. Speaker. I rise today . . .

THE SPEAKER: Hon. member, first of all, just before the hon. member proceeds, the chair would like to just provide some guidance. Before allowing the hon. Member for Edmonton-Ellerslie to proceed, the chair would like to indicate to the Assembly that notice of this purported question of privilege was received in the Speaker's office just before 11 a.m. today. The chair notes that based on the member's notice and the letter sent earlier today, it appears that her question of privilege is against the Speaker. Before the member explains her question of privilege, the chair would like to make some preliminary comments about the procedure to be followed in such a situation.

The chair notes that Marleau and Montpetit state at page 266 of *House of Commons Procedure and Practice* that "actions of the Speaker are not to be criticized in debate or by any means except by way of a substantive motion." Notice of such motion would have to be brought by the member in the usual manner and as outlined in the parliamentary authorities. The member may wish to consult a recent precedent from the House of Commons where on March 13, 2000, the Speaker ruled that a motion dealing with the partiality of the chair required notice. The matter was the subject of a special debate held on March 16, 2000. The chair would also like to refer the member to the debates of this Assembly from November 25, 1981, where the conduct of the Speaker was the subject of a substantive motion, not a question of privilege.

I'll now invite the hon. Member for Edmonton-Ellerslie for a brief statement of her purported question of privilege, and it may very well be that the chair will intervene in a matter of two to three minutes to advise that this matter might best be dealt with by a substantive motion.

The hon. member.

MS CARLSON: Thank you, Mr. Speaker. Are you suggesting, then, that I withdraw the point of privilege and deal with this in another manner?

THE SPEAKER: Well, hon. member, the difficulty in dealing with this matter is that there's no clarification. The chair has absolutely no way of knowing what it is the hon. member wishes to draw to the attention of the House. This matter was reviewed by all table officers at a meeting at noon today, and the general conclusion was that we have no idea of what is coming. So in anticipation of what is coming, we will await.

Privilege Impartiality of the Speaker

MS CARLSON: Thank you, Mr. Speaker. I will certainly take your guidance on this matter after you've heard the opening comments.

My question of privilege is as a member of the Assembly and on behalf of my colleagues in the Official Opposition, and it does regard the issue of impartiality of the Speaker. The question arises out of two separate events that I've only recently become aware of and on which I will go into some detail.

The first instance deals with a letter which was sent out under the letterhead of the Speaker of the Legislative Assembly of Alberta. This letter was written to former MLAs of this Assembly and contained information with regard to the government, particularly Alberta Environment's media campaign and position against ratification of the Kyoto accord. Mr. Speaker, I have copies of that letter. This letter contains points only from the government perspective. No mention was given of the opposition's role or position. Only information on the positions of the governing party was included. Attached to the letter was a copy of a brochure put out by the government.

Now, it would be fair for the Speaker, we believe, to send out information on an issue if it included all parties that are represented in the Legislature and not just the party that's in government. The substance of the letter reflects the position of a government MLA as opposed to the Speaker of the Assembly, which we believe should be impartial in these dealings.

There is a precedent for the Speaker to explain such actions. On June 30, 1981, the then Speaker of the Ontario Legislature was called on a point of privilege after making a radio station announcement in favour of a government bill. The Speaker then read a statement which was intended to explain his actions to all members of the Assembly as well as to the general public.

Mr. Speaker, this morning it came to my attention that the Speaker had breached what we believe is another long-standing precedent of this Assembly. *Beauchesne* 168(2) clearly states that "the Speaker does not attend any party caucus nor take part in any outside partisan political activity." I have copies of an article which appeared this morning in two city newspapers. Now, I know that in this Assembly we don't like to always reference articles in the newspaper, but this is something that we believe we have to follow up on. It states in a quote from the *Edmonton Journal* on page A7: "A Tory health committee could not agree what to do with health regions even after rural political heavyweight [naming the Speaker] weighed in." Further, the article stated that "Kowalski argued to keep the number of health regions the way they are."

Mr. Speaker, this article indicates what we believe is a clear breach of *Beauchesne* 168 and of a long-standing tradition of this Assembly and of the British parliamentary system. The Speaker of this Assembly attended, in a partisan manner, a Conservative caucus health committee meeting and debated as part of that caucus. This caucus was not open to members of the Official Opposition, and this makes it a partisan committee and, therefore, what we see as a direct breach.

Additionally, we have just received unsubstantiated information that the Speaker occasionally attends caucus meetings while the Legislature is in session. We've been looking at other cases where the Speaker gets involved in caucus meetings. Mr. Speaker, in Saskatchewan their Speaker . . .

THE SPEAKER: Okay. Hon. member, please. The chair would like to ensure that the hon. member has ample opportunity to raise her case and probably would advise that the hon. member might want to consider dealing with a substantive motion which is a motion of confidence in the chair. The difficulty with this situation as we're now proceeding is that there's really no precedent for a point of privilege because it does violate all the rules of the past. On the other hand, the chair wants to bend over backwards to ensure that the hon. Member for Edmonton-Ellerslie does have an opportunity to raise her concern.

What is missing in this process, of course, is an opportunity for the chair to explain. Perhaps by way of substantive motion, which would draw to attention, then, the purported allegations – a substantive motion of either confidence or nonconfidence in the chair might very much be in order, and the hon. member would have complete opportunity. The rules are very clear what the procedure is. The rules are also very clear what would then be entailed as a result of the motion. Perhaps the hon. member would like to proceed that way.

MS CARLSON: May I respond, Mr. Speaker? We do not wish to bring a motion of nonconfidence to the floor of the Assembly. Referring back to what happened in the Ontario case . . . [interjections] We don't. We don't. What we want . . . [interjections]

THE SPEAKER: Hon. members, please.

MS CARLSON: What we will subsequently ask for, Mr. Speaker, if allowed to proceed, is exactly what happened in the Ontario Legislature when the Speaker was called on a point of privilege and then had an opportunity to read a statement which was intended to explain his actions to all members of the Assembly as well as to the general public. What we want is a clarification of the rules in terms of the roles and responsibilities of Speakers versus private MLAs and the correlation that happens between the party politics and what happens here in the Assembly. We are not looking for a motion of confidence with regard to the Speaker.

3:10

THE SPEAKER: Well, do I take it, then, that the hon. member might have chosen to proceed? None of what we're talking about here, hon. member, has occurred in this Assembly. This is not a part of the daily Routine of the Assembly, not part of the institution of the Assembly, not part of the actions of the chair within the Assembly. We have Standing Order 13(2), that "the Speaker shall explain the reasons for any decision upon the request of a member," but in this case no decision has been made. The chair is in a difficult position on how to deal with this, because he finds himself unable to explain anything, including so-called allegations from third parties.

Hon. member, I go back to you.

MS CARLSON: Mr. Speaker, are you saying, then, that this similar kind of situation in Ontario was not handled correctly?

THE SPEAKER: Madam Member, once again, you're making assumptions that are totally incorrect. The hon. member has no right to assume that another member is thinking a certain way, and that was most certainly not the way the chair was thinking with respect to this. If the hon. member has an allegation that she wants to make in this Assembly, there is a mechanism for it. We're dealing with the conduct of a chair who was elected by secret ballot in this Assembly, with all the members having no idea who voted for whom, and it had nothing to do with respect to, as the chair can understand it, the chair's conduct within the Assembly.

Now, if it's clarification that the hon. member would like to make in terms of a policy that the chair, who also happens to be a Member of the Legislative Assembly of the province of Alberta, conducts himself 365 days a year with respect to parliamentary activities, political activities, electoral activities, the chair would at some subsequent time in the future be happy to rise in the Assembly and lay out how he deals with all of this from a philosophical point of view. But the chair has made it very, very clear in the past that he would conduct himself in this Assembly with the greatest degree of impartiality.

MS CARLSON: Mr. Speaker, we would be very satisfied if you would stand and clarify those positions for us.

THE SPEAKER: Then, hon. member, I would be very pleased to do that at a subsequent date and also advise that in the past the chair has also advised former leaders of the Official Opposition that the chair would be happy to attend caucus meetings of that caucus as well.

head: **Orders of the Day**

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

Bill 32

Climate Change and Emissions Management Act

THE SPEAKER: The hon. Premier on behalf of the hon. Minister of Environment.

MR. KLEIN: Mr. Speaker, thank you very much. At the outset I would like to advise members of the Legislature that Bob Mills, the Member of Parliament for Red Deer, is now in his seventh hour in the House of Commons on the Kyoto protocol, the resolution that was introduced, and is doing, I might add, a very good job on behalf of his constituents and the citizens of this province.

Mr. Speaker, it is with great pleasure that I rise to move second reading of Bill 32, the Climate Change and Emissions Management Act.

For months, actually for years now the federal government has taken great effort to paint Alberta and anyone else who opposes their Kyoto protocol, the federal government Kyoto protocol, as being in favour of global warming, like we want to see the climate warm up and we want to see Alberta as a wasteland desert in 50 years. What utter, stupid nonsense. You know, the federal government has tried to position Kyoto as a simple environmental issue, even though it is now obvious that for the Chretien government Kyoto has become more about winning a political battle, about gaining stature and maintaining stature in the international community than about helping the environment.

The federal government has ignored the economic implications of

ratifying the Kyoto protocol despite warning after warning from literally hundreds of groups in the country. It has ignored the unanimous voice of the provinces and territories, which have called for collaboration on a detailed implementation plan and cost analysis before ratification. The federal government has ignored the negligible environmental impact Canada's ratification of Kyoto would have on global warming.

Worst of all, Mr. Speaker, it has misled Canada about what Kyoto will achieve. Ottawa persists in portraying Kyoto as a tool to reduce smog, aided and abetted by the CBC. Every time they mention Kyoto, they have smoking, belching smokestacks as cover fill even though this is not what the protocol is designed to do. It's designed to deal with CO₂ primarily. Can't see it; we're exhaling it as we speak. Ottawa persists in representing Kyoto as an instrument to improve human health by cutting air pollution even though this isn't what the protocol is designed for either. Ottawa persists in claiming that ratifying Kyoto will make a big difference in the battle on global warming even though reductions made by Canada, a 2 percent contributor to global greenhouse gas emissions, will be more than eclipsed by increases from China, the United States, India, and many other countries that have no Kyoto reduction targets whatsoever.

Despite its determination to rush into Kyoto ratification even in the face of such opposition and misinformation, it appears that the federal government has no plan to meet the actual Kyoto targets. As a matter of fact, they have said, to quote the Prime Minister: well, we'll worry about that later; we will find a way. Why would Ottawa sign an agreement that it apparently has no intention of ever living up to? You know, that's one question. Why would it sign an agreement anyway? It makes no environmental sense. It makes no economic sense. Does it have something to do with ego and some undertakings that were made to the Chiracs and the Schroeders of the world and sacrificing the well-being of Canadians at the same time?

I don't know the answers to these questions except to observe that no matter how you look at it, the debate on ratifying the Kyoto protocol isn't really about the environment at all. It's about politics, Mr. Speaker. Alberta has tried to work with the federal government to come up with a better solution. We've tried to collaborate with Ottawa and the other provinces on a climate change plan that relies on intelligent Canadian innovation and know-how, a plan that won't create unnecessary economic hardship and job losses and a plan that actually works, but the federal government isn't really interested. The federal government isn't interested at all. They are not interested in working with others to come up with a better plan. In fact, all along Ottawa has said that the options are Kyoto or nothing, and the Ottawa government has refused to consider any other ideas.

The federal government talks about consultation. The Prime Minister has said: well, I've talked to the other Premiers. Mr. Anderson says: well, we've had full consultation. But nobody has talked to me. Nobody, I understand, has talked to the Minister of Energy or the Minister of Environment about the so-called federal government plan. Notwithstanding that, the federal government says that it has consulted extensively with the provinces to develop its climate change plan.

If you ask the provinces, they'll tell you that Ottawa hasn't talked to us at all, and certainly they haven't listened to us. The provinces have said unanimously as recently as yesterday, all the premiers and all the territorial leaders have said unanimously that they don't like the Ottawa plan and that they don't see the need to rush into ratifying Kyoto when so many questions remain unanswered. All of the premiers and territorial leaders said that they want to work together without the federal government if necessary to find a better way. To find a better way, Mr. Speaker.

3:20

I want to digress just for a moment before I come back to what the Canadian premiers say about this issue and what the ministers of energy and the ministers of environment say about the issue. I want to use a quote, and here's a quote on Kyoto.

The federal government has probably let Canadians down more than any other government I can think of over the last few years . . . The feds have really blown this, as far as we're concerned, as far as doing what's right for Canadians . . . The feds don't even listen when we talk to them about it.

I ask members to guess who might have made those remarks in a public discussion on Kyoto. Was it the Minister of Environment? No. Was it the Minister of Energy? No. Was it me? No. No, not this time, Mr. Speaker. Those remarks were made by the Leader of the Official Opposition only seven days ago. Only seven days ago those remarks were made by the Leader of the Official Opposition in a speech to the Athabasca rotary club, about a week ago. They were reported verbatim in the *Athabasca Advocate*, and, believe me, those small town newspapers report everything verbatim. [interjections] Seven days ago. These remarks were made by the same member who stood up in this Assembly last Thursday and again professed his party's full support for the Kyoto protocol.

You know, I find it puzzling why the opposition would say one thing in this House and something completely different out in Athabasca. Perhaps they think they don't have reporters out there. Could it be that when they face Albertans directly, such as in Athabasca, they are ashamed of their pro-Kyoto stance? What I can tell the House is that unlike the Liberals every member of this government is consistent when speaking about the Kyoto protocol and the federal government's approach to its implementation.

Mr. Speaker, if the Alberta Liberals are as concerned about the behaviour of the feds as their leader says they are, then why don't they stand in this Assembly and support the bill, the bill that we're here to discuss today and the approach of every single province in this country, who have all said that the federal plan is wrong and that the 12 principles for climate change must be addressed by the feds? Why don't they stand up and support both the resolution that will be introduced tomorrow and the bill that is here for second reading today? I ask them to do that in light of what the Leader of the Official Opposition said in Athabasca.

Politics aside, Mr. Speaker, Alberta will work with the other provinces to find a truly national, made-in-Canada climate change plan, and we're not going to wait for Ottawa. This province began taking action to address climate change a decade ago, long before the Kyoto protocol was ever conceived. Alberta will continue to take steps to address the challenge of global warming. Those steps that began so long ago have culminated in the bill that is now before this Assembly.

Mr. Speaker, the Climate Change and Emissions Management Act lays out a framework to support Alberta's action plan for reducing greenhouse gas emissions. Alberta wants to do and will do its fair share in the battle against global warming. This plan lays out how Albertans can make a difference without sacrificing the economic prosperity and the high standard of living they've worked so hard to achieve. And, believe me, we have worked so hard to achieve what we have today.

Mr. Speaker, that's what's so frustrating about this made-in-Ottawa, federal Liberal government, goofy protocol. That's what is so frustrating. We have worked so hard in this province to get where we are today, to have some ill-conceived scheme disrupt and threaten in a very significant way all of the sacrifices that we have made as a government, that the people of this province have made. It is so frustrating to go through the pain of eliminating the deficit,

of putting in unique legislation to pay down the debt, to reorganize and to reform government, to create what we now call the Alberta advantage all to have it threatened and possibly destroyed by some goofily concocted scheme dreamt up by international theorists and especially when this government has gone further than any other government in Canada to show its commitment to respond to climate change yet has underscored that commitment with actions, not just words. With this bill Alberta stands poised to do what no other Legislature in this country has done. It will enshrine that commitment in legislation.

Alberta's climate change plan builds on the successes that Alberta businesses and organizations have already demonstrated in reducing greenhouse gas emissions. The federal government would have Canadians believe that an international agreement like Kyoto is the only way – the only way – to respond to the threat of climate change. In fact, the federal Environment minister said as much last week. He said that voluntary measures don't work. Voluntary measures don't work. Well, if Mr. Anderson had done his homework, he would know that a statement like that is simply not true. There are plenty of Alberta examples that prove exactly the opposite, that Alberta and Canadian companies have invested literally billions of dollars in environmental improvements and have seen incredible returns on those investments.

In fact, Mr. Speaker, the emissions intensity from synthetic oil production has dropped by about 35 percent since 1990. Trans-Canada dropped its emissions by 29 percent last year through improvements to pipeline technology. Some 93 percent of Alberta companies responsible for upstream oil and gas emissions are working on voluntary emission reduction programs. David Anderson's comments are an insult to these and other Alberta companies that are working hard and voluntarily to tackle climate change.

You know, I recently discovered a new book that David Anderson should read. It's a book he could learn a lot from. It's by Sydney Sharpe. She's a Calgary-based journalist who is known for her hard-hitting approach to issues. Her book *A Patch of Green* looks at the environmental record of Alberta energy companies, and it's based on an extensive and comprehensive body of research, and I think even Sydney was surprised by her findings. Far from uncovering the kind of negligence and irresponsibility that David Anderson would have you believe is rife in the energy sector, Sydney found instead an industry concerned about its neighbours and aboriginal communities and the environment surrounding its operations. The book also uncovers a business community committed to using the best research and technologies available to tackle environmental concerns. The conclusion Sydney comes to is that the environmental successes of Alberta's energy industry are indeed remarkable. The environmental successes of the federal government are far less impressive, Mr. Speaker, believe me.

Last week the federal government unveiled its so-called final plan to implement the Kyoto protocol, and while Ottawa pays lip service to consultation and working with the provinces and territories, what they presented was a plan crafted by federal bureaucrats behind closed doors. I understand, Mr. Speaker – this is totally anecdotal, just a rumour but a good one – that at least two senior policy advisers on this file have resigned in absolute frustration, you know, relative to trying to craft something, working overnight, behind closed doors with MPs and ministers and the PMO saying: well, you've got to change this; you've got to change that; maybe this will work; maybe we can satisfy this segment of society or that segment of society. That's a plan? That is typical Liberal planning, planning on the fly. That's what it's all about. Now they've introduced a motion in the House of Commons to ratify the Kyoto protocol based on this made-in-Ottawa plan on the fly that has been repudiated by

all the provinces. I have no idea how Ottawa will implement its plan without the co-operation of the provinces, Mr. Speaker, but I will say this: if the feds want to commit Alberta to do more than we're committing to do in Bill 32, then it's up to them to do it, I guess, and up to them to pay for it. You know, that's going to be the attitude.

3:30

That leads me to the second purpose of Bill 32. In addition to reaffirming Alberta's commitment to take action on global warming, this bill will also help protect Albertans from the federal government's Kyoto agenda. This is the assurance we need to give industry in this province, that we are doing everything in our power to protect the Alberta advantage and to protect what is our responsibility under the Constitution and our jurisdiction under the Constitution. We will protect – we will protect – Albertans from the federal government's political agenda, and we will protect it by reinforcing the province's ownership and control over natural resources. I've said it before and I'll say it again in this House: this government will do whatever is necessary to protect the Alberta advantage.

In so many ways, Mr. Speaker, Alberta has been a leader in Canada. The people of this province have never been afraid to set their own direction and take their own path. The examples are endless. Alberta was the first province to come up with a balanced budget. You know, I've said so many times how un-Canadian it was at the time. You can't have governments without deficits. I mean, that's the way governments operate. And now all governments have either eliminated deficits or are trying very hard to eliminate their deficits. You can't put in a law that prohibits you from having a deficit and requires you to dedicate money to debt. I mean, that's un-Canadian too. All the kinds of things that we did, all the wonderful reforms that we've undertaken. We have been the first in so many instances, and we're being copied by all the provinces and, yes, the federal government.

I recall one federal budget speech by Mr. Martin, and it was almost as if he had taken our book and copied it, and then there were phrases that were word for word out of our budget speeches. We've pioneered a single-rate tax system and a provincewide high-speed Internet system. We set a new standard in investing, in research, in medicine and science and engineering, and we have the only legislation of its kind to shield people from soaring natural gas prices and to protect children involved in prostitution. These are groundbreaking, leading edge kinds of legislative practices.

Mr. Speaker, the list goes on and on. Alberta has been a leader in Canada on many, many fronts, and with the passage of Bill 32 Alberta will continue to be a leader on the issue of climate change.

Thank you.

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

DR. NICOL: Thank you, Mr. Speaker. Bill 32, the Climate Change and Emissions Management Act, brings forward an Alberta program to try to address the issues of global warming and climate change. The issues that come up as we deal with this have to look at kind of the whole process that we go through and that's been followed both by the world and by Canada in achieving this.

Yes, I stand by the statements that the Premier quoted from me in this House. The federal government has made a real mess of trying to implement this process. That doesn't mean that we don't believe we can comply with and enact the provisions of the agreement that was signed onto by about 168 countries now and counting, and in the sense that . . . [interjection]

THE SPEAKER: Hon. member, please, courtesy.

DR. NICOL: The process is a worldwide commitment to in effect do something in a staged process to reduce greenhouse gas emissions. We as Canadians chose to be included in the industrial group which will be making limits on our emissions in the first phase, and that, Mr. Speaker, in my mind is very acceptable for us as Canadians to do. The idea that we are going to commit to reducing our emissions to 6 percent below 1990 levels, in effect, makes a statement by Canadians that, yes, this is a critical issues; yes, we have the capability to make an adjustment; and, yes, we're willing to be a leader in the world.

The issue that comes up in the context of signing or initialing that agreement in 1996 and moving from 1996 to effectively late November 2002 is the fact that we don't know – and the federal government has not given us as Canadians or as provincial governments an indication of what they expect to happen – what they expect to be the process that we as Canadians take to comply with that agreement that they have in effect committed us to or initialed us to in 1996. If we're going to look at how we work forward on this, we have to make sure that we move in a progressive way.

Mr. Speaker, I separate out the issue of: should we ratify Kyoto and commit to the level and the worldwide process that was started many years ago, culminating with the agreement in 1996? I say yes. I say, yes, we can do that, and we can do it proudly as Canadians as long as we do it correctly when we get inside Canada. The whole idea is that once we're here, we have a broad spectrum of how we go about making choices, making changes in our policies, making commitments to each other about how we'll share both the responsibilities and the costs of complying with the Kyoto agreement.

The main thing is that as we go through this, we have to look at where we're at, and, you know, I in many ways support many of the things that the Premier said in his introductory comments on this bill in the sense that we don't know what the federal government is going to do in terms of changing its laws, setting regulations, setting standards. That has not been provided to us. So this is still part of the process that has to be debated and agreed to at the level of Canada and all Canadians, and, Mr. Speaker, I have called on the federal government on a number of occasions, including the occasion that was referenced by the Premier, to – let's start now; let's work with the provinces; let's work with industry; let's work with consumer groups; let's work with all individuals in Canada who are part of the emitters of greenhouse gases and come up with a viable solution that will allow us to in effect mitigate as much as possible the impact of the Kyoto agreement. If we're going to do this, we have to look at the very principles that were introduced into this House today and the motion for debate tomorrow and look at: how will we in effect implement a program that achieves a lot of those same principles?

3:40

You know, it's interesting, Mr. Speaker. As I reflect on those principles and I read the Alberta plan, I see some contradictions. I see places in that Alberta plan where those principles aren't really met. The thing that comes out here is that if we would in effect look at those principles – and I've summarized them for brevity in this debate into essentially five areas that I would like to see and that I use to judge comments on Kyoto and our actions to reduce greenhouse gas emissions.

First of all, they have to look at it from the point of view that any implementation cost or any implementation burden must be fairly shared by all emitters, Mr. Speaker, and that, in effect, means that we should not be putting caps on a geographic area of this province; we should not be putting caps on any sector. We should be making sure that all emitters participate equally and fairly in the requirements to reduce emissions.

The second that I look at is that implementation must not unduly affect our competitive position as a country. Now, this is where we have to look at how we as one of the industrialized nations fit in with the other industrialized nations, and I think we all agree that it is very unfortunate that the United States has chosen to follow the process that they are in dealing with it, because it doesn't put them at the same level of interaction or compliance with Kyoto as what we as Canadians will be.

Still, we have to recognize that many of the states – and a number that's been given to me is 17 of them; I can't confirm that – actually have emission standards that are more severe than what they would have to have met had the federal government in the United States acted to implement their Kyoto commitment. In effect, 17 states have said that they will actually cap – and I say cap because this is the way it's been presented to me – their emissions at a level even below what the U.S. government had originally agreed to in 1996 under the Kyoto agreement, Mr. Speaker. I would welcome anybody in the House that has the information that can show that the article I read didn't provide me with that kind of correct support.

The next thing that I look at in terms of judging it – and it again is a means of summarizing those 12 principles – is that all Canadians must share in any burden that we have to undertake to comply. The other one is that we have fair participation in the worldwide credit exchange; in other words, have a fair impact on any wealth redistribution. I know that this is something I will further talk about.

If we go through those five types of basic principles, they encompass all 12 of the ones that were introduced in our motion in the House earlier today. If we look at those principles and essentially look at the two developing or pseudo plans that we've got on the table right now, one being the federal proposal that was released last week and the other being the Alberta plan that was released in conjunction with the introduction of Bill 32, we see that really none of them tells us the kind of regulatory change or standards that will be set for the actual operational aspects of this compliance process, but we do have to look at that and see, first of all, how these two different plans fit within the principle categories that I've outlined. That basically is that if we look at the federal plan, I would guess that it doesn't really fit very many of those five principles or the 12 greater principles that we've talked about. It doesn't deal with the fairness issue in a way that I find satisfactory. It doesn't deal with the competitive position for Canada or our industries the way I think it could. It does limit growth of some of our sectors and the economy as a whole, but it also puts an unfair burden on capped sectors and geographic areas in our country because it implies limits on their emissions.

[Mr. Shariff in the chair]

The provincial plan, on the other hand, is a little different. It probably doesn't affect our competitive position because it's tied to technology adoption and, in a sense, keeps us in line with technology adoption in any other jurisdiction whether they are capped or not because it, in effect, reflects the ability of the economy to adopt new technology. I would suggest that the issue that comes up in conjunction with how they measure that compliance doesn't meet what I would see as the fairness criteria in my summary of those 12 principles that the provinces and territories have outlined.

More specifically, though, the provincial plan, in my interpretation of it – and I would encourage anybody in the House to help me out if I'm interpreting this wrong. [interjection] I like the comment from the member saying that I'm interpreting wrong, and he hasn't even waited for me, to give me a chance to get my interpretation out. That's what we call objectivity. We sat and listened to the Premier

talk and didn't interject, yet we're getting it when we start to talk. So, you know, this is part of the issue that we have to look at in terms of how debate goes on.

But that aside, Mr. Speaker, I want to also just continue my thought that it doesn't in my mind meet the growth-neutral criteria, and I say that because – and this is where I need some help – in reading the materials and discussing it with some of the people, they talk about the emission being tied to a share of GDP, and in Bill 32 they talk about the right to redefine GDP as well. But that's not an issue in terms of what I'm going to raise, because what I would like to say is that if we see a sector that is growing and has their emission standards set relative to GDP, then what we're going to see is, in effect, if we've got a sector that is vibrant with new technology, in a sense they will have two options: grow extremely well, because their technology is allowing them to stay below their limit on contribution to GDP or emission as a percentage of GDP. But if we're in a sector that is slower in technology growth – the technology is harder to develop – what we're going to see is that sector will not be allowed to contribute more to our economy because they, in effect, need to get a greater emission credit.

The other issue is that if we're going to see emerging industries or emerging sectors, how do they fit into that percentage of the GDP? How do they fit into their place in sharing the emission per unit of GDP? This also comes across on the other side, where we see if we've got a declining industry or a sunset industry that's starting to slow down or be replaced by a new technology or a new consumer product, then how does it, in effect, phase out? Because it's got lots of extra capacity. In this exchange will they be, in a sense, selling credits to the new sectors? If that's the case, what we're causing is sunset industries being given a wealth transfer to sustain them at the expense of the new innovation, the new economy sectors, because those are the sectors that are going to have to buy the rights to have emission from the phasing-out sectors that are no longer in our economy.

3:50

So the Alberta plan, to me, doesn't provide for neutral growth, neutral opportunity for industry coming into our province. We want our province to grow with the ability to have a vibrant economy, a vibrant approach to the Alberta opportunity for any industry to come, not only industries that are high-tech, high-innovation, low-emission, emission-improving types of activities. We want any industry to be able to come into our economy and grow without having to transfer to the sunset industries or the declining industries that are implied by this GDP.

From that perspective, I ask the government to more clearly indicate to Albertans and to other people evaluating this plan what they mean by that sector limit. We've got to make sure that, in effect, we do have a growth pattern here that is neutral. So I say that in my criteria the Alberta plan doesn't meet the growth-neutral condition. It also has little, if any, ability to deal with the capacity for sharing the burden.

You know, the credit exchange they talk about needs to be more clearly flushed out in terms of who would have credits to sell in it and who would be available to buy credits from it. But if we look at it from the perspective of how the international credit exchange falls into it, I guess in the federal plan there's not much of an indication there other than it's kind of a backstop or a last resort, but also in the Alberta plan – and I take this interpretation, Mr. Speaker, from a lot of the comments that have been made, not necessarily from things I can directly read into the bill – if we look at it from the perspective of what comments have come from the government in terms of the international credit exchange, I would suggest that the Alberta plan

would have no role or, essentially, a minimal role for those credit exchanges to have any role in helping to mitigate the impact on Alberta. I guess the issue that I raise with respect to that, Mr. Speaker, is the fact that what we've got is a worldwide agreement here, an agreement by all countries in the world to participate. So we, in effect, should be looking, as Canadians, at how can we contribute to a reduction in greenhouse gas emissions in that world perspective, and just to eliminate or to ignore the opportunities for international credit exchanges limits some of the flexibility that we have.

Mr. Speaker, what I want to do is hypothesize with you and the House about if we were to sit down and try and bring together a program that would work both to reach Canada's international commitment of 6 percent below 1990 and meet the five criteria that I've talked about. Had the Premier gone on to further report on the things I said at that meeting in Athabasca and also at a number of other meetings around Alberta, as recently as last Friday with the Chamber of Commerce in Lethbridge and the week prior to that with the Chamber of Commerce executive in Calgary and with a number of the oil and gas industry companies that I've had a chance to present this to – none of them has said: that won't work; that's a plan we should dismiss. In fact, one of the executives from an oil company that I was talking to said – and I presented this plan to him briefly, and I must admit it was briefly – you know, if the federal government would adopt something like that, we could buy into it. This was one of the oil companies where the executives have been the most vocal in opposing the federal plan for greenhouse gas emissions.

Briefly, let me again put on the record the plan that I was talking about to these companies, to the chamber meetings, to these community groups that I've talked to, and that is the fact that we have to start off by creating – and this builds on both the Alberta plan and the federal plan – and building a Canadian emission credit exchange so that, in effect, we can allow for trades between individuals who have reached or exceeded some level of reduction and others that have not or are not able to reach that.

Mr. Speaker, one of the things that we've been throwing about – I think it will work based on some of the experiences I've had in previous lives – is that it would be easy for us to define a CO₂ equivalent and put this into some kind of a commodity exchange basis where people can buy and sell on a very open free market, even possibly have, you know, some futures trading in it so that people could plan their investments into the future and then have CO₂ emissions available to be bought at a future time when somebody else's investment was going to free up emissions that they could trade into it. So something very much like the Winnipeg Commodity Exchange, but it would have to be very specific to small unit sales because if we're going to have all emitters participate in it, we'd have to have it open so that even small savings could occur.

The second thing we would have to do to make this plan work is to create a greenhouse gas emission standard for each emission or emitter category on a unit output basis. I tie it to the unit output so that we can encourage growth and facilitate growth if any particular emitter wants to increase their output in terms of physical units of production. These standards, Mr. Speaker, can either be based on the current average of emitters in that category, or we can use some other standard that's based on most likely technologies, or reasonable technologies as opposed to most likely technologies. That way, we're not building our emission expectations on standards and technology that are going to come in the future. You know, this is one of the other issues that really raises some questions about the Alberta plan and the viability of that Alberta plan in the sense that they're projecting out into the future to 2050 possible technologies that will give us reductions.

You know, as a scientist, Mr. Speaker, I've had enough experience with research, both development and implementation, to know that if we deal with aggregates, yes, we can kind of project innovation and technology development over time, but we also don't have the option to truly predict with any degree of accuracy where those technologies are going to come, as much as we would like. Let's look at the number of dollars and the number of years that have been put into some of society's major technology searches: you know, cancer cures. We're taking incremental steps, but those incremental steps have taken years and years, decades and decades. So to be able to say, "Yes, in 20 years we'll have a solution to that" is not, I think, good public policy.

4:00

The other aspect, then, that we could look at is setting these emission standards on the basis of some kind of acceptable measure; for houses, let's say. The R-2000 standard for housing construction is a good option because that's basically an industry standard. It's a householder standard, and it's accepted. We could use that. So if your house is below that, you have to, in effect, buy credits. If you're above it, in effect, you have credits that you can put into the trade system.

Similarly, we can look at how we deal with other examples by targeting fuel efficiency for vehicles, and I want to elaborate on that just a little further as I talk about some other aspects of this, the general aspect of how we develop public policy for emission control. Then what we have is if an emitter wants to comply – this is assuming that the emitter is not in compliance – they can either adopt new technology that brings their process in line with the standard or go to the credit exchange and buy credits, which raise their standard. Mr. Speaker, this is the normal process that everybody talks about when they're talking about these credit exchanges.

The thing is that it gives you the flexibility if your physical plant is not fully depreciated out, not obsolete, still producing very effectively except for its emission criteria, which wasn't part of your planning when you built that plant. It allows you, in effect, to buy credits for a little while to operate that plant until it becomes feasible and economical to upgrade it, at which time then you comply, and you can resell those credits or keep them if you want to and, in conjunction with that plant, expand your output to allow for growth in the economy. So, in effect, being able to phase in your new technology, your new investments through the use of this credit exchange really helps significantly. The other aspect that we look at in terms of the supply is how to deal with this in terms of the process of anybody who is below or takes an extra special effort at bringing about reductions in emissions. They then can put them into that exchange.

Now, Mr. Speaker, the advantage of this process is that it really doesn't target any geographic area in Canada, nor does it target any sector and say that you must commit to a certain level of reduction. What it does is it has every emitter participating in a true marketplace where they each, in effect, make their decisions based on a cost per unit of emission. This is true production economics in the context that everybody deals with the same marginal cost of emissions, and you have to share equally among all the emitters. That way, we don't penalize any one emitter group more than another.

We also end up with the idea that we have to deal with that fairness, yet we all know that with the marketplace, if there gets to be more demand than there is supply, we end up seeing the price start to creep up. Well, Mr. Speaker, if that market starts to creep up, this is where we can have government participate in it, and I

would like to suggest that that's when we bring in the international credit exchanges by bringing to Canada a supply of credits that can be released into that market in a way that doesn't create an undue burden on Canada in a competitive position with the international markets.

If we look at that, we can see that when we go internationally, we've got to make sure that we end up bringing back true credits in the context of the Kyoto interpretation by the countries that signed on to it. Here again I agree with those that say that we can't just throw our dollars into the international credit exchange and hope for the best. So what I'd like to suggest is that we never as a country, in effect, buy from a country that is not capped unless there's a technology-driven reduction within that country that we can capture and bring back to Canada. If the country isn't capped, then when their commitment to Kyoto comes about in phase 2 of the implementation, they'll start having sold us a bunch of credits which don't amount to anything. There was no commitment, no reduction. But if we end up going internationally and bringing back credits which are truly technologically driven, then that fits the spirit of the Kyoto agreement in the sense that we've made a commitment to reduce the world's level of greenhouse gas emissions. So we can make sure that when we're going international, we have that commitment.

The other option is if we go to countries that have experienced economic slowdowns because of the world's economic cycles. I don't think it would be right for us to buy credits that, in effect, are freed up by that economic slowdown. That's why I say that we have to make sure that any credit that we buy on the international market is only identified as being a technology-implementation identified credit. Now, one of the ways that we can do that – and I talked about that – is that the government can do it: bring it back and put it into the domestic credit exchange so that everybody has equal access to it on the basis of the price.

The other thing that we can do, as well, is if we have companies in Canada that operate internationally and they reduce their emissions in those other countries, they can bring those credits back. They can bring them into Canada, and they can become part of the Canadian supply of credits, which they can either use to grow their production in Canada or sell into the market to allow for Canadian entrepreneurship and Canadian sharing of the benefits of that. By making sure that those credits are technologically driven, that meets the fifth principle that I was talking about, looking at it in the sense that it gives a fair aspect of any wealth transfer.

If we're going to implement that in the international way to really, truly keep the integrity of these exchanges in place, one of the things that I would suggest, Mr. Speaker, is having some of our agencies that already deal with international activity and international economic development, international growth, become part of that in the sense that if we have federal or provincial agencies that provide assistance in an international context to change a process that results in a reduction of emissions, those credits then can be brought back as part of our international assistance. That, in effect, says that Canadian money that's already going into these international development projects brings back a benefit to Canada because we bring back to Canada those credit exchanges rather than just freeing them up in that country and allowing that country then to, in a sense, double up on our foreign aid by giving them an opportunity to sell those credits and create their own wealth.

But if we put into our development agreement that those credits come back to Canada, then we do get some direct benefit from our international development commitments. That way, I think we can make sure that, in effect, the international competitive position of our economy is kept in balance with the world businesses either in

other complying countries or even in countries that aren't compliant. We can do that by regulating the cost of that credit exchange market in Canada by increasing the supply and reducing the price. That way, none of our businesses are faced with an unfair, if you want to call it that, position in the world because we as a country have agreed to look at mitigation.

4:10

One of the things that I brought out, Mr. Speaker, was the fact that neither the federal plan, especially the federal plan, nor the provincial plan really has the nuts and bolts about implementation. I want to raise one of the issues in terms of an example of how, as we go about dealing with the regulatory or legislative changes that are necessary for implementing either one of these plans, we've got to make sure that it focuses on how to deal with those same principles that I've talked about.

I mentioned before that I was going to talk further about fuel efficiency, and I do this not because I'm recommending that people who drive vehicles carry an undue burden, but we want them to carry a fair burden. If we're going to get them to reduce their emissions, the one approach you can use is, you know, price signals; in other words, raise the price of gas. This study was done and reported a couple months ago that in order to get a 20 percent reduction in fuel consumption, we'd have to have the price of gas somewhere around \$1.10. Well, that has very serious implications for Canada's competitive position in a world market but also for the lifestyle that we as Canadians have come to enjoy; that is, you know, if we have to pay that much extra for our gas.

The other way to do it is to encourage vehicles that are more efficient. Mr. Speaker, I would suggest that almost everybody in this House over the next 10 years, which would be the compliance period for Kyoto, will trade a vehicle. Well, if we trade a vehicle that is more than 20 percent or 25 percent, whichever target we put on our vehicle efficiency or fuel consumption reduction, then we get those credits associated with buying that new vehicle. This can be facilitated very easily by having it done when we register our vehicles on a trade. You know, if you're trading in a vehicle and buying a new one that's 20 percent more efficient, you meet the standards. If you don't, then you have to buy credits to go with the expected lifetime consumption of that vehicle. Now, the unfairness there may be the fact that not everybody drives their vehicle the same number of kilometres per year, but it makes it a very easy way.

The really intriguing part of this proposal and this approach to fuel efficiency or fuel reduction is that if I have to pay more for my gas and I'm an employee, the first thing I'm going to do is go to my employer and say: "My cost of living went up. I need a raise." You know, the only thing that the employer can kind of say is: well, everybody's costs went up, so we're all the same. That doesn't usually work in the context of employee/employer negotiations. But if we use the second method of reducing fuel consumption, where we're encouraging people to drive vehicles that are more fuel efficient by giving them credits for the saved fuel, if I choose as an employee not to buy a more efficient vehicle but I still have to pay the same price for gas and I go to my employer and say, you know, "I had to buy a bunch of credits in order to register my vehicle," guess what the employer is going to tell me, Mr. Speaker? He's going to say: Ken, that was your choice. You, in effect, have to deal with that and make sure that you have that option.

The member behind made a comment about: well, what if you've got a big family? All we have to do – and, Mr. Speaker, I did this the other day when I was getting my car serviced. The salesman came along and said: Ken, when are you going to buy a new car? I

said: well, you know, if I'm going to buy the same vehicle next time, I want you to make sure that this vehicle is available for me with better fuel efficiency in the motor. I said: you've probably got a year and a half or two years before I'm going to trade my vehicle in, so I expect you, if you want me to buy that same size and same style of vehicle, to have one that's got a better efficiency in it. That's what we have to start doing with our automobile association in the sense that we send signals today to our auto dealers, to our home builders, to all of our consumer products that we want our products produced so that they are more energy efficient in the future, and that's how we can do it. Yes, many people in this province require vehicles that have the same physical capacity of the vehicle that's there today, but by having messages sent to the manufacturers that we want them more fuel efficient, we can do it.

The other option, Mr. Speaker, is for us as consumers to start choosing the fuel. Ethanol-based fuels, in effect, give us a greenhouse gas emission reduction because they use energy in the context of the hydrogen cycle or the carbon cycle as opposed to bringing carbon out of a sink. If we can do it that way, we can make contributions to those reductions.

Mr. Speaker, I guess that the thing I wanted to emphasize as I was going along was the fact that we have to separate signing on to an international agreement, making the commitment that we as Canadians will reduce our emissions by a set amount in conjunction with the worldwide agreement, from the process of: how do we go about implementing it? That's where I stand on this issue. I truly support the idea that we as Canadians can sign on to our commitment of the level of reduction that was specified in the Kyoto protocol, but what we really need to do is be really innovative and real thinkers outside the box in terms of how we go about complying.

I'll close, Mr. Speaker, with the same comment that I started with in connection with: how do we implement Kyoto? The federal government hasn't given us the idea. They haven't given us any time frame, really, to properly plan for this. I stick with my comments to the Athabasca Rotary Club when I said: the federal government has really let us down. As a policy program for Canada they could have done a lot better, and every Canadian should be disappointed in them.

THE ACTING SPEAKER: Before I recognize the hon. leader of the ND Party, may we briefly revert to Introduction of Guests?

[Unanimous consent granted]

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

THE ACTING SPEAKER: The hon. Member for Airdrie-Rocky View.

MS HALEY: Thank you very much, Mr. Speaker. I'm very, very pleased to be able to introduce someone from my constituency who works for the Department of Transportation in transportation inspection services. He's a district supervisor from the Balzac area. Just before I ask him to stand up, I wanted to tell you that he's allowed me to go out to his station a couple of times and just observe the weighing and inspection of some of the bigger trucks on our roads. I can tell you that it was an incredible experience to see it firsthand and to realize what incredibly well-qualified people we have observing the vehicles on our roads, and I felt tremendous about that. The gentleman's name is Arlen Mason. I would ask him to please rise in the Assembly and receive the warm welcome.

4:20

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

Bill 32
Climate Change and Emissions Management Act
(continued)

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

DR. PANNU: Thank you, Mr. Speaker. As I enter the debate on Bill 32, the Climate Change and Emissions Management Act, in second reading, I want to preface my remarks with some general comments on climate change and global warming. Global warming is a global problem that requires a global solution, not a patchwork of ineffective efforts which have no commitment to net reduction in greenhouse gas emissions in the foreseeable future. Moreover, global warming is already here. Failing to take meaningful action carries economic risks and costs at least as great and perhaps far greater than taking action. In other words, failure to meaningfully act against global warming risks not only Alberta's environmental future but also its economic future.

That's why, I think, 67 eminent Alberta scientists decided to send a letter to the Premier on October 22, 2002. All of these scientists teach at Alberta universities and either work with climate change or its effects. In that letter these eminent scientists expressed surprise that they had not been consulted by the Alberta government in the development of its so-called made-in-Alberta plan. Allow me to refer to some excerpts from this letter.

Contrary to the views often portrayed by the press and industry spokespersons, there is little disagreement in the scientific community on climate warming. The Royal Society of Canada, the Royal Society of London, and the US National Academy of Sciences have all taken strong positions on the global warming issues . . . The current scientific consensus on global warming is now greater than, for example, the general consensus in the 1960s that humans could reach the moon, or the consensus in the early 1940s that we could create atomic weapons.

The letter from the scientists continues:

Temperature records show that in southern Canada, considerable warming has already taken place on the western prairies. Increases in temperature since the early 20th century have been from 1 to 3° Celsius at various prairie locations . . . The resulting increases in evaporation have without doubt aggravated the drought conditions that currently plague the western prairies . . . Compensation payments and crop insurance payouts this year alone amount to over two billion dollars in Alberta and Saskatchewan . . . Such costs can only increase with a warming climate.

The scientists continue:

Another example is forestry. In the 1980s and 1990s, the incidence of forest fire doubled in Canada compared to the 1960s and 1970s, burning an area equal to 80 per cent of the province of Alberta during this 20 year period . . . Already, the costs of fighting forest fires in Canada average over 500 million dollars per year, with little effect on the amount of forest burned. The costs of fire suppression, lost revenues to the forest industry, evacuation of towns, and health impacts of smoke are likely to be extremely high.

To conclude quoting from this letter, let me use the last quote here.

Climate warming will increase the problem of freshwater for the prairies, and the water that remains will decline in quality. Already, wetlands are dry and many lakes have lost most of their water. Summer river flows are already flowing at 20 to 60 per cent of historical values.

Perhaps the most readily available proof that global warming is already here is the rapid melting back of the Rocky Mountain glaciers that feed Alberta's many river systems. Anyone who has

taken the short walk from the Banff/Jasper highway to the foot of the Athabasca Glacier can see the hundreds of metres this glacier has melted back in the last half century. Medium and longer term glacier melt-back threatens the future availability of water. The problem of glacier melt-back is most severe in the Oldman River basin, which has the shallowest glaciers, the driest climate, and the highest water use, especially for irrigation.

I next want to touch on how Albertans have been let down by both their federal government and the provincial Tory government. The federal Liberals and Alberta Tories have both failed us when it comes to being proactive on climate change. Mr. Speaker, there is no question that the federal Liberal government has dropped the ball. The federal Liberals took something that should have united us as Canadians and have turned it into a source of division between different regions and different sectors. The federal government's new ad campaign is using the slogan: Together, We Can Do It. This is most ironic. It's ironic because the federal Liberal government's actions have done anything but bring Canadians together. First, after signing on to the Kyoto protocol in December 1997, the federal government chose to put the issue of ratification on the back burner until this past summer. Climate change was given such a low profile by the federal Liberals that it's no wonder many Albertans and Canadians think ratification has been sprung on them at the last minute.

Moreover, the federal Liberals also bear a large part of the blame for the poisoning of relations with the provinces. The federal government signs international treaties, but the provinces share jurisdictions over the environment. Without provincial co-operation meeting the Kyoto targets will be much, much more difficult. Far from showing responsible leadership and unifying Canadians to meet environmental challenges, the federal Liberals' mishandling of Kyoto ratification is dividing Canadians. The federal Liberals' failure of leadership is dividing provinces and is exacerbating regional tensions.

I want to briefly now turn my attention to our provincial government. The approach being taken by this Tory government can best be described as a multimillion dollar smear campaign against Kyoto. Never has so much misinformation, scare-mongering, and outright falsehoods been packed into such slick packaging, Mr. Speaker. By using overheated rhetoric, this Tory government has succeeded in instilling fear and creating an investment chill. This destructive approach reached a new low two weeks ago when the Premier said that he was going to go to New York to warn Americans about how Kyoto ratification will drive investment out of Alberta. Now, after being deservedly criticized from all quarters, the Premier appears to have backed away from bad-mouthing Alberta and Canada in front of a foreign audience. The very fact that the Premier would have considered this, however, speaks volumes about the lengths this government is prepared to go in its destructive opposition to Kyoto ratification.

The Premier also knows better when he claims that Kyoto has somehow been sprung upon the Alberta government at the last minute. In fact, until last May the Alberta government co-chaired the national climate change forum or study group or whatever, and the Minister of Environment of Alberta was the co-chair. Alberta has not only been fully consulted in the five years as a province since the federal government first signed on to the Kyoto protocol, but it fully participated in those consultations and discussions. Now it claims that it hasn't been consulted at all.

A fact often concealed by the Tory government in its destructive campaign is that addressing climate change has economic opportunities as well as costs. There's no better example of this than a September 1990 study commissioned by the energy efficiency office

of the Energy department of this province, Mr. Speaker. This report did not propose raising gasoline prices or electricity prices. Instead the report set out in exhaustive detail a range of energy conservation and energy efficiency measures that would have resulted by the year 2005 in a 7.3 percent reduction in CO₂ emissions. The 1990 report found that a \$6.7 billion investment in energy conservation measures would have yielded first-year savings of \$2.2 billion. The average payback of an investment in energy conservation would have been 3.1 years. In other words, an annual return of about 30 percent per year if the recommendations had been implemented. Instead of implementing this report, the government under Premier Klein axed the energy efficiency office in 1994. We all know what has happened since. Instead of greenhouse gas emissions going down, they've actually gone up by almost 20 percent.

The government likes to pretend that Bill 32 is a real alternative to Kyoto. I submit, Mr. Speaker, that it's not. It's political posturing. Bill 32 is a licence for more pollution. The name says it all. Bill 32 is not about emission reductions; it is about emissions management.

The most flawed aspect of Bill 32 is its reliance on the concept of reducing emission intensity as opposed to absolute reductions in emissions. Bill 32 specifies that emissions will be reduced relative to GDP by "50% of 1990 levels" by the end of the year 2020. In other words, the faster our economy grows, the more emissions will be allowed to go up. An analysis of the Alberta plan by the Pembina Institute concludes that should Alberta's economic growth in the coming two decades be the same as it was in the past decade, greenhouse gas emissions might actually go up 83 percent compared to 1990. Clearly, this is not acceptable, Mr. Speaker.

4:30

Bill 32 also makes the preposterous claim that greenhouse gases released into the atmosphere are a natural resource to which the province claims ownership. Talk about getting it backward, Mr. Speaker. If you release greenhouse gases into the atmosphere, they are pollutants. Instead of wasting money on useless court challenges and Supreme Court references, let's develop technologies to conserve energy and remove these pollutants from the atmosphere.

Next I'll make a few comments on the federal government's stated intention to ratify the Kyoto protocol before Christmas. The federal government's decision to ratify prior to having substantial agreement from most provinces and other shareholders is regrettable. As I said earlier, the federal Liberals have let Canadians down. The federal government has let Albertans down with this ham-fisted approach. Would it be desirable for there to be agreement of the provinces prior to Kyoto ratification by the federal government? Yes, it would. However, if the Tory government in this province were being honest with Albertans, it would tell them that their opposition to Kyoto ratification is not based on the absence of an implementation plan. The provincial Tories want to kill Kyoto, plain and simple.

The provincial Tories also know that the longer the federal government delays ratification, the more difficult it will be for Canada to meet its Kyoto emission reduction targets. The New Democrats would be in favour of delaying Kyoto ratification until early next year if we were convinced that this extra time would be used productively by the federal government and the provinces to agree on an implementation plan. However, given the Alberta government's stated goal of killing Kyoto ratification, the only thing that would be accomplished by a delay is to make it just that much more difficult for us as a nation to meet our Kyoto obligations. That's why the Premier's call for Kyoto to be delayed for 18 months or two years is really just a stalling tactic.

To conclude, the New Democrats support the ratification of Kyoto

for both environmental and economic reasons, Mr. Speaker. The Conservative government is betraying future generations of Albertans in its mindless opposition to ratification. The negative impacts of global warming are already beginning to affect important industries like agriculture and forestry, as the scientists have reminded us. The time for action is now. Alberta needs to fight hard to get a fair deal on the implementation of the Kyoto protocol within Canada. Rather than fear mongering, the provincial government should be aggressively formulating an implementation position that best safeguards Alberta's interests.

Bill 32 is not the answer. It will allow harmful emissions to continue increasing for decades to come. It's a plan tailor-made for big oil and other powerful special interests opposed to real action to combat global warming. Like other global agreements to protect the environment, reducing greenhouse gas emissions will over time improve the underlying competitiveness of the Canadian and Alberta economies. Should the national community fail to ratify Kyoto, negotiating a new protocol would take many years. In the meantime, the well-being of our children and our grandchildren would be placed in increasing peril.

Thank you, Mr. Speaker.

THE ACTING SPEAKER: Under Standing Order 29 we have five minutes for any questions if any member wishes to ask. The hon. Member for Calgary-North Hill.

MR. MAGNUS: Thank you, Mr. Speaker. In light of the member's previous comments about this bill, Bill 32, I'd like to ask him just a commonsense question. If you put 100 people in this room and gave everybody in the room a cigarette and asked them to light it and then asked two people to put theirs out, would it make a difference?

DR. PANNU: Mr. Speaker, I'm pleased to answer this question. Any positive steps taken in the direction of reducing either greenhouse gas emissions or cigarette smoke I think are worthy of our action, and we should accept that challenge. You have to provide some leadership. Leadership is the issue here, and that's where I think this government is failing.

THE ACTING SPEAKER: The hon. Member for Grande Prairie-Smoky.

MR. KNIGHT: Yes, Mr. Speaker. With respect to the idea that the Alberta government's opposition to Kyoto is simply a way to put us in a position where we would not be able to comply, I have a question with respect to the protocol. Article 3 states that "each Party included in Annex I shall, by 2005, have made demonstrable progress in achieving its commitments under this Protocol." How would you propose that Canada is going to do that now? It's three years away.

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

DR. PANNU: Thank you, Mr. Speaker. It's a very good question. I would put the question back to the member by asking: if we delayed the ratification by another two years, how would we meet the commitments that are stated in that article? Clearly, the sooner we get down to business, the better. And the provisions for that particular article do not require us to have reduced the emissions by 2005 but only to have taken substantial actions which will lead us to achieve that objective by 2010 and 2012.

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

MR. McCLELLAND: Thank you very much. I'd like to pursue the notion of emissions trading versus the efficiency of a carbon tax with the hon. member. James A. Paul, who is apparently a well-respected environmentalist, in a presentation that he gave to the global policy forum in March of this year indicated that an emissions trading regime is not nearly as effective or as fair as a carbon tax, which speaks to other presentations here today. I wonder if I could have the hon. Member for Edmonton-Strathcona comment on that notion.

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

DR. PANNU: Thank you, Mr. Speaker. Not having direct access to what Mr. Paul had to say, it's very difficult to respond specifically to what he allegedly said and where and when. I think I would much rather be guided by two sources of information. Both are authoritative: 67 eminent Alberta scientists and their recommendations to this government and government's own energy efficiency group's report of 1990.

We don't have to worry about trading emissions if we are serious about taking action, and we should have taken this action early. In fact, Albertans were never told that such a report existed, and in fact it makes such sweeping and comprehensive recommendations which would have guaranteed us a return on our investment by the billions of dollars every year. That's where my disappointment lies, and that's why Albertans, I guess, are asking questions about the commitment of this government to doing something serious and substantial to address the problem of climate change.

[The Speaker in the chair]

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

MR. HLADY: Thank you, Mr. Speaker. First and foremost today I would want to make something absolutely clear. The Alberta government understands and agrees with the need to take action to reduce greenhouse gas emissions and address the issue of climate change. But I stand here certainly in amazement listening to the comments of the Leader of the Official Opposition and the leader of the third party and their inability to understand the difference between a Kyoto and a national-based solution, which is what the provinces want from across this country.

Mr. Speaker, the Leader of the Official Opposition was stating today, as he stated last week, that this is a vague plan and that there's lots of chance to change and move things along. Well, the plan that Kyoto is right now is actually very specific and has very specific targets that we would have to meet. We as a government with our people here have already analyzed that and seen the hits that it would take, and that's why we know that the national-based solution is the right direction to go, with all the provinces onside and understanding and meeting the 12 points that we've put forward here as well. Working on Bill 32 is something that allows us to make sure that we have the ability to have control here in this province and make sure that it's in the best interests of the economy of this province as well.

4:40

The Leader of the Official Opposition also spent a lot of time today, Mr. Speaker, speaking in regard to a commodity exchange. That concept you couldn't do under a Kyoto model. It doesn't work. That's not what they want. The federal government wants to take

control of our resources in the province here by using a compliance tool of emissions trading that they would have control over, not to allow carbon sinks in the form of our forests, in the form of our agriculture. They want to control all of that, take it away from us as a province, as well as our oil and gas, and put a tax back on us on a reverse takeover, if you would say, on our oil and gas through a carbon tax. That sort of thing that the leader talked about in regard to a commodity exchange would only be possible under a national-based solution or a North American model potentially, as well, in the future, but it certainly couldn't be done under the Kyoto plan.

Mr. Speaker, I'd like to spend a moment just talking about the position we're at. There are 168 countries that have signed on to Kyoto. There are 17 countries in Europe, in the European bubble that sits there today, that have signed on to this.

Japan has signed on to it, but what they've also done in Japan is they have determined that they are not going to hold industry's feet to the fire because industry explained to their federal government that their economy could not withstand the blow that Kyoto would put on their economy. So the Japanese are looking to meet their Kyoto commitments through emissions at the retail level, at the residential level. So either big taxes are going to come onto the individuals of Japan or they're going to find a way through new improved muffler systems for all of their vehicles in Japan, something along that line, but it has nothing to do with taking a big hit on their economy.

The European Union has 17 countries that are working inside a bubble, and they can trade amongst themselves for the amount of emissions that are going to work. So they can make that happen. However, there are countries inside the European Union right now that are saying that they don't think they can meet that as well.

There are only three other countries in the world that had targets that they had to meet: Australia, the United States, and Canada. Australia and the United States analyzed it and said: we can't do this; our economies cannot sustain the blows that this would do. Canada is the only country being sold down the river by its federal government, and it's a very sad state that we see today.

Mr. Speaker, a couple of stories that I think you might find very interesting. I was delivering a speech out in Okotoks to the Okotoks oilmen's association, about 120 folks that work in the service industry of the oil and gas industry in the southern part of the province with this particular group. The stories that you hear back from these folks that are seeing what is happening to our industry today based on the fear of ratification in this province is staggering. When you have \$25 oil and you have \$4 gas, there shouldn't be a service person in this province standing still. They should all be working double shifts to try to keep up with the drilling activity that has always gone on historically in this province. That's not true today. Today we're seeing a slowdown.

We have one of our colleagues who conveyed a story to me about his son who'd recently become a welder, gotten his ticket after apprenticing in welding, and had received a job here in the province. Whenever you get a job welding in this area, you're usually set until you retire with not a worry to be had. However, within a couple of weeks after receiving this job, he was laid off. He went to the welders' union and put his name on the list. He was 903 on the list, Mr. Speaker, of welders. Welders just aren't that unemployed in this province, not when you see the way the economy had been growing in the oil and gas area, with the prices of oil and the prices of gas that have been here for the last number of years.

So what we're seeing today, Mr. Speaker, is a serious slowdown. We've seen \$16 billion taken off the table already in investment up in the oil sands. We have also seen some very well-known, prominent federal Liberals who are in the oil and gas industry in

Calgary, and what they have done is they have come out and said to us: you can't trust this federal Liberal government because they're not doing what they said they were going to do even to their best supporters. It's amazing.

Mr. Speaker, as part of our commitment to take action, Alberta has met with the other provincial governments and with the federal government, and we've been trying to move towards getting something to happen. One, we've certainly tried to take part in a constructive consultation, to no avail, with the federal government. We've also asked the feds for a plan to see what they have got so that we can go forward with a review. We're starting to see something happening, but it's certainly not in regard to the implementation side. All we know is that they're looking to come forward in the spring with legislation, with no idea what that's going to mean and what it's going to entail, yet they're going to ratify before we have a chance to analyze and see what the legislation looks like, plus their implementation plan. They refuse to release that to us.

Mr. Speaker, I'd like to speak to our plan for a moment. Earlier, within the last month, our Minister of Environment released the action plan *Albertans and Climate Change: Taking Action*. That is something that we saw as a very important step and was actually doing something about dealing with the emissions. The plan focuses on energy efficiency, enhancing technology to control industrial emissions, seeking out new environmentally friendly sources of energy, and better managing our emissions today and in the future. These actions, when combined, will improve our efficiency in the short term and lead to substantial reductions in emissions over time, but to be successful, we need all Albertans, both organizations and individuals, to go beyond business as usual as we do these changes.

I'd like to focus on emissions reduction here for a minute. Our targets are based on reducing emissions intensity, Mr. Speaker, rather than on absolute reduction. What this allows us to do: it allows our economy to continue to grow and have jobs for our children, as they continue to see things happen, and allows for the wealth that everyone enjoys here in this province. But the concept and the model of Kyoto today leads to a transfer of wealth rather than really fixing the problem, and it works at the two levels: it works at the international level and at the national level. We're very concerned about that because this is how the federal government looks to bring back NEP in the form of NEP 2 and calling it Kyoto, and that's a very sad thing. What we know is that we took the hit without the full happening of the NEP. We're seeing it again right now. If it is actually implemented, the loss of control of our resources, which are set out as a provincial jurisdiction, would happen in an amazing way. We would have very great trouble in regard to seeing our economy grow and attract investment in the future.

What we want to do with emissions intensity really strikes a balance between environmental and economic goals for all Albertans, and at the same time our approach sets us on a path towards substantial and permanent reductions in overall greenhouse gas emissions. Alberta is focused on real reductions in realistic time frames. We will cut emissions intensity in this province by 50 percent below 1990 levels by 2020.

Mr. Speaker, I would sense that you'd have a different situation and you would have had different numbers coming out if this model of Kyoto had been implemented by, say, the year 2000 or even '96, because you have a country in the form of Germany that was very fortunate around 1990 to have East Germany come back in to be part of the greater Germany. West Germany was able to take great advantage of the poor producing plants in East Germany, and by shutting those down, they get credit for that. So they've been allowing their economy to grow, making things happen, and taking

advantage of the fact that they're shutting down these poor, inefficient plants and building new ones to replace them. That's been a very big advantage to them. If that hadn't happened at that particular time, you wouldn't have seen the advantage in Europe, and I would sense that if Germany was going to see a crush on their economy, this wouldn't have gone ahead in the European Union.

So 50 percent below the 1990 levels by 2020. That is the equivalent, Mr. Speaker, of a 60 million tonne reduction in greenhouse gas emissions. Ultimately, this strategy will make Alberta as good or better than anywhere else in the world. It would allow us to reduce our emissions from industrial and consumer activity without destroying our economy. To measure our progress, we have set an initial milestone of a 22 percent reduction in emissions intensity by 2010, that results in a reduction of 20 million tonnes. We recognize that more significant emissions reductions will be required over the longer term.

Mr. Speaker, one of the things that we're spending a lot of time on right now through AERI, through CERI, through Climate Change Central organizations – we have leading, cutting-edge technology being looked at – is looking at the concept of zero emission coal research that's going on. It's going on around the world, and we're working on that, and you can do that in a fundamentally positive way. We don't believe it can be done by 2010. The researchers don't believe they can have it by 2010, but by 2020 there's the potential to do that. By putting our money in and investing in research and helping the economy to grow, working in a proactive way rather than in a penalizing way, we think that we have a much better chance of making it work well here in Alberta.

4:50

In short, we are doing our part to reduce national and global emissions. We will train our economy at a steady pace to win the emissions reduction race in the long run. The Kyoto plan would have us sprint this first bit, transfer wealth out of this province, and really we wouldn't have a chance to get to the finish line. It's about a transfer of wealth. It's about a chance for other economies to try and gather from our wealth and not allow us to grow until they've caught up. It's not the right way. Kyoto is the wrong way to do this. Climate change is far too large an issue for any one company or industry or government to tackle alone, and it certainly needs to be on a global basis when we're dealing with emissions for this world.

The Alberta government will work with key sectors of the Alberta economy to ensure that our action plan on climate change achieves real and measurable results. This includes agreement with electricity, oil and gas, transportation, forestry, and other industries, plus municipalities. We will back up those sectoral agreements with strong legislation and regulations so that all organizations clearly understand our expectations for emissions reductions and will meet them. In fact, this is already under way, Mr. Speaker. We've already implemented a mandatory greenhouse gas emissions reporting program for large emission sources.

Technology and innovation are very important as well, Mr. Speaker. We will also work toward an effective use of the technology, and we'll continue to build on the strong international reputation that Alberta already has and work together with other governments around the world to make sure that we can see this technology implemented wherever it's in the best interests of the environment. Our plan will certainly allow for the technology to get up and running faster because we're investing back in that rather than just transferring wealth out of our province.

In regard to energy conservation, Mr. Speaker, we've been going ahead and making this a team effort through all Albertans. A major part of our plan involves working toward better energy conservation

among all Albertans so that we can see the positive effects. I think that examples certainly include helping to create an Alberta office of energy efficiency along with Climate Change Central. We think that the municipal governments, as well, will be working very closely with us, and we see establishing audits of municipal buildings. That will, again, make sure that we know whether the emissions are being reduced as we go along.

This government has shown leadership all the way along this process, Mr. Speaker. What we've done over the past decade in our government is cut greenhouse gas emissions from its own operations by more than 20 percent below the 1990 levels, for example. This has certainly far exceeded the 14.1 percent that we'd set as a target, and we're not done. Based on our success, we have established a new target of 26 percent below 1990 levels by 2005, and I'm very confident that we will achieve that.

We've also been supporting programs for energy-conserving retrofits in government facilities. I know that the Minister of Infrastructure has been working hard on that. Mr. Speaker, I think we'll see other things, along with the concept of the vehicles that will be working inside government as well.

I'm sure we will be continuing to fight on every front in the future. Thank you very much, Mr. Speaker.

THE SPEAKER: Standing Order 29(2) kicks in now. Questions? The hon. Member for Edmonton-Ellerslie.

MS CARLSON: Thank you, Mr. Speaker. I have a question. Does this member support the concept of the government putting together a fund, either a loan fund or a grant program, for people to retrofit their homes to become more energy efficient?

MR. HLADY: Mr. Speaker, what we are doing is looking at everything we can do. There have been programs such as that in the past. At this time we are not looking at creating loans or grants, but those are things that certainly can come to the table and we can discuss to see what is the best way to create efficiencies in this province.

MS CARLSON: Mr. Speaker, why wouldn't this member support that kind of a program when it's been incredibly successful in other provinces, like Manitoba and the territories?

MR. HLADY: Mr. Speaker, this member seems to be quite happy to go and spend more money and so forth toward making that happen. But there's a lot of that happening right now in the private sector. Those are efficiencies that are happening. The marketplace is making it happen. People will be happier when they have triple-glazed windows on their house, if they add more insulation in the roofs or on the sidewalls of their homes. They can do all of that. They'll save lots of money in regard to their heating bills. This is all part of the private sector that makes it work. I think those things have to be taken into consideration before you just go and spend government money, which is the people's money.

THE SPEAKER: The hon. Member for Grande Prairie-Smoky.

MR. KNIGHT: Thank you, Mr. Speaker. To the Member for Calgary-Mountain View: given that methane's global warming potential is 23 times that of CO₂, would you agree that our flaring and venting program that we have in Alberta, that you touched on briefly, demonstrates good environmental stewardship?

MR. HLADY: You know, today, Mr. Speaker, we are still at the

discussion point in the positioning of CO₂ and methane as natural resources rather than, actually, as emissions. I mean, those are part of the science that's still out there and being debated on what is real and what isn't. I think of the fact that we have huge resources of methane sitting below the confines of this province as a potential resource for natural gas. Today 6 percent of the natural gas being produced in the United States is coal bed methane, and I think what we have is a great opportunity with that. I think the whole concept of why Kyoto doesn't work is simply because the science still hasn't been completed. The whole defining of what is product is still a big piece of that. So it's not concluded on what and how you would classify that.

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

MS CARLSON: Thank you, Mr. Speaker. Could the member tell me why he supports government grants for electricity costs when prices spike but doesn't support grants for consumer retrofits of older homes, which will leave those people significantly disadvantaged in this market?

THE SPEAKER: The hon. member.

MR. HLADY: Thank you, Mr. Speaker. The member is not quite accurate in regard to grants. In a regulated market as well as in a deregulated market, in two years that were joined to each other, we had an auction of property that belonged to the people of Alberta. What happened was that they received money back as a credit on their bill in regard to the property that they owned in the form of paying down the one time on their electricity bills.

THE SPEAKER: Conclusion, then, on Standing Order 29? The hon. Member for Edmonton-Rutherford.

MR. McCLELLAND: In debate, sir?

THE SPEAKER: No. I'll recognize the hon. Member for Edmonton-Ellerslie first, I believe.

Proceed.

MS CARLSON: Thank you, Mr. Speaker. Speaking in second reading on Bill 32, the Climate Change and Emissions Management Act – second reading is the most important stage of a bill. It's the time when we speak to the whole principle that's at issue, when we're debating the topic under discussion, and the issue then is affirmed or denied by a vote in the House. It is particularly important to speak to the principle of what brought this bill into the Assembly, which is not policy. It is politics. Given that we won't see this bill come back after second reading stage . . .

AN HON. MEMBER: How do you know?

MS CARLSON: Let's trust the proceedings of the House to see that. I challenge the Government House Leader to bring this bill back in committee, and let's see if we get any serious debate on this. We are quite happy to stay here in the Assembly until this bill has passed through all the stages and is ready for royal assent. A lot of things will happen in this province before we see that happen with this bill, because this is an ability for this government to talk about politics, not, in fact, real policy or real principles. That is a real shame, because this is one of the most significant issues that we will be facing over the next year. No doubt it is this government's highest priority to be able, whenever possible, to pick a fight with someone

other than their own performance so that we don't look too closely at that particular performance.

So when we look at what the government has done on this bill, when we go back to the 1990s and review what the Premier has said over the years on these kinds of issues, what we see is that for the past decade and more he has really been leading by looking at his toes when he should have been lifting up his sights and having them focused on the horizon, Mr. Speaker, so that we could see some true leadership that takes us into the next decade and the next wave of technology advance and use of fuel systems to push forward our industries, our consumer products, and our manufacturing. We don't see that, by far, with this bill. This is a bill that's targeted at setting up a constitutional battle with the federal government. It's a bill that's targeted at minimizing any kind of contribution Alberta would have regardless of the kind of progress that we have seen by industry in this province, and the progress on the industry side has in fact been significant.

5:00

This protectionist attitude that we see from the government doesn't help. It isn't a long-term, effective strategy. What we need is for this government to set up a framework where Alberta businesses can be best in class, not best in class in Edmonton or Fort Saskatchewan or Grande Prairie or Lethbridge but best in class in a global marketplace. So they need to be forward thinking. They need to be leaders in their fields. They need to be getting whatever kind of competitive advantage they can from support by the government in innovation and in technology and in looking at other kinds of options that they can be putting forward to meet the kinds of needs that we're seeing in the global market. That definitely talks about how we reduce CO₂ emissions, how companies diversify, and how we start to level off the demand for fossil fuels not just in this country but throughout the globe.

When we take a look historically at what the Premier is on the record saying, we find that he hasn't done very much. If we take a look at the preamble of this particular bill when it talks about the government of Alberta is committed to reducing emissions of carbon dioxide, what we see is that not only does this current plan that we have in front of us not reduce emissions; it lets them increase as long as the Alberta economy grows, which is a problem. We see that historically the Premier has talked the talk but not walked the walk.

I'll take you back to *Hansard* of April 24, 1990, when the Premier, then the Minister of Environment, talks about "the Canadian Council of Ministers of the Environment has recently assigned a protocol that calls for a significant reduction in automobile emissions by 1994." In fact, what did the Premier, then the minister, do? We haven't seen any kind of leadership from our government on that, so how can we trust them to then keep this commitment that's in the preamble of this bill? I think that's a question that needs to be answered as this bill progresses.

If we go to June 19, 1992, once again the same minister, now the Premier, "agreed to create a new air quality management system." That is, in fact, a direct quote from him. Have we seen that yet? No. What do we see? Complaints from him saying that the federal government hasn't ruled out the plan and because of that we can't do anything. In fact, he is on the record as committing to working forward on some of these issues back in these years, and now he is complaining that they don't know what to do, that there are no rules. The rules have been developed over a course of more than a decade, and he is trying to duck and hide on this particular issue now.

Once again what does the minister say on June 10, 1991, the minister of the day, now the Premier? He says that what the province needs to do is

make a reasonable contribution to the reduction of those gases that contribute to not only the greenhouse effect . . .

So the greenhouse effect is no big surprise to him. On the record making a commitment from his ministry then.

. . . global warming, but depletion of ozone. In addition to that, there are national protocols that we have entered into relative to a decrease in automobile emissions by 50 percent by the year 1995.

Now the year has changed but still a commitment. "We have entered into protocols relative to the decrease in packaging and waste by 50 percent by the year 2000."

So as much as he committed to reducing waste, which has happened in this province, he also committed to global warming and the greenhouse effect and also the depletion of ozone.

What have we seen? We haven't seen the government roll out any comprehensive strategies that address this. Do we know that we have them, Mr. Speaker? We do. It was just last week that we saw a document come forward from the Minister of Energy's department that talked about how that department alone had figured out a way for us to meet the Kyoto protocol years ago. Not yesterday, not last month but years ago, before the five-year time period when this government actually sat at the table with the federal government and started to negotiate a system to implement the protocol. These people just don't keep their word and don't keep the commitments.

Here's another one. When we go back to 1990 again, the Premier talks about, "That's why we have identified the gases that contribute or are alleged to contribute to global warming, such as CO₂," and "whereby government can participate with the energy industry in this province," they commit to do so. Well, we don't see that happening, Mr. Speaker, and why is that? Why do we have to have this political fight, all this misinformation out there? And, I'll admit, misinformation on both sides. The feds have not been helpful in this regard, but misinformation from this province on the issue.

Let's talk about some of the misinformation that's gone out in all the propaganda, and that's the 450,000 job loss. What are we really talking about? The most extreme example that has come out has said that it could be up to 450,000 jobs that are not created in the time frame originally planned. What does that mean? Those jobs are delayed by a few months' time. What is a more realistic job loss when you just look at a flattening of the economy and the kind of implications that will roll out of this? We're talking somewhere between 60,000 and 120,000 jobs.

That is not taking into account the upside of this equation. Every single time that we have this kind of a situation happen – and this is not the only time this has happened. If we go back and take a look at history, CO₂, natural gas flaring – do you remember those days when we had the Turner Valley on fire in this province and the kind of outcry we had from industry when they suddenly had to sequester that gas and couldn't just flare it? What ended up happening down the road is that they sequestered that natural gas and it became a real revenue producer for this province. So it's a good thing they did that because we're reaping the benefits of that today. What did that action force? It forced innovation. It forced advanced technology, and it created a market. There are states now, not the least of which is Texas, who are actually selling CO₂ at this time.

So when we talk about a potential for 60,000 to 120,000 jobs postponed, not lost but postponed, what does that mean in the entire Canadian economy, not just the Alberta economy? That means that those new jobs won't be created for about six weeks. We're not talking about your neighbour losing their job or you losing your job. We're talking about that guy coming in from out of the province who is going to have to wait another six weeks before he gets a job in this province.

So when we talk about that, Mr. Speaker, we have to take a look

at the other kinds of implications that we have. This minister and this Premier talk about in their opening statements the government of Alberta owning the natural resources in Alberta, and carbon dioxide and methane are natural resources, setting up a constitutional challenge to any program that comes out.

When we talk about that in terms of what the Premier has said in years past, it's interesting to see that in former times when it was convenient to do so he was very much in line with a national and a global strategy. March 19, 1992: what does he say? He recognizes and commits "to adopt a global approach in addressing the new environmental realities." Great words once again. Talking the talk but not walking the walk. This is 1992. He says that the new environmental reality is a global approach. But now he says: no, we want a constitutional fight. And we don't want to do that.

He's on the record again. There are many examples. I'm just picking out a few of the very interesting highlights in terms of what he said in those days. What he said in 1991 was that they're "trying to get handle on all these gases" and the greenhouse phenomena, and that they will "develop a position, and put in place what is right" for not only Alberta, Mr. Speaker, but what is right for Canada. That's not what we see roll out in this particular plan, and he could do it. They could be at the table.

5:10

DR. MASSEY: That was then and this is now.

MS CARLSON: That was then and this is now. How many times have we heard that in this particular Assembly? More than I can certainly count.

Are there good alternatives? Yes, there are, Mr. Speaker. Do we seem them being rolled out in anything that the government has brought forward in this bill? They're famous for floating trial balloons on issues that they may want to pursue in the future, but we haven't seen some really good ones here. One of the ones that I'd like to talk about is in reference to the question that I had asked of the earlier speaker, and that is: why wouldn't Alberta, the richest province in the country, put forward . . . [some applause] Well, that's right. The richest province, and to stay the richest province, it has to start acting smart.

One of the very important things that we need to do is provide the ability to consumers in this province to be able to adapt to the new realities that are facing them in terms of energy prices and their own personal commitment to being environmentally friendly and reducing CO₂ emissions. A very, very easy way to do that is to develop a loan program where people can borrow money to retrofit houses to meet the new challenges we have that we're facing on a day-to-day basis. I am increasingly getting calls from constituents who are wondering why this isn't happening. As they search around on the Net to find out what else is out there, they realize that other provinces, less wealthy provinces, and the Territories have for years had a system in place where they have a small loan or grant program where if you have your home assessed for energy efficiency and decide to move forward with increasing the efficiency, you can submit an estimate of what the work is going to be, and you can borrow that money from the government at a zero interest rate and then pay it back.

You know what? There are lots of ways to pay that back. They could pay that out of their monthly energy savings. They could pay it at a prescribed rate, and that small investment of money, to be able to provide the kinds of dollars we're talking about in a revolving fund, would be way less than a million dollars. We're asking for way less than one-third of the advertising already spent by this government to promote their own agenda. It would be a smart

investment to do this. They'd get the money back. They don't get any interest, so we all eat the cost of that, but I'll tell you: I'd rather have my tax dollars going to that than to see massive communication budgets and propaganda agendas put forward by this government on my tax dollar.

People are asking for that because do you know what energy retrofits cost? You can't do anything for less than \$1,500, and really if you're taking a look at getting energy efficient appliances and windows, it's much more than that.

THE SPEAKER: Hon. members, Standing Order 29(2) now kicks in for five minutes. Questions? The hon. Government House Leader.

MR. HANCOCK: Thank you, Mr. Speaker. I'm wondering if the hon. member would be able to tell us whether she thinks it's better for Alberta and for industries in Alberta to be able to attack the issues of climate change and the opportunities of jobs that might be created out of that opportunity if the economy is strong and if they are able to engage, as they are now, in very productive ways or whether they would be more able to do it if they were put out of business or severely curtailed in their business by arbitrary caps on their emissions.

THE SPEAKER: The hon. member.

MS CARLSON: Thank you, Mr. Speaker. I certainly welcome that particular question from the Government House Leader. He has made a number of assumptions that I haven't seen backed up by any kinds of facts, and in fact I do have some facts on how industry has adapted to the potential for climate change. The Government House Leader may not know it, but I did my master's thesis on climate change as a change management issue for Alberta industries. In fact, thank you for the question. Too bad I only have the rest of five minutes to answer it in.

What I did, Mr. Speaker, was I took a look at three different industries: one that is coal-fire based, one forestry industry, and one technology company to see how two directly affected industries and one who is affected peripherally were taking a look at this particular issue. What I took a look at was really what I feel were outstanding companies in this province to see who I felt had best practices and a best-in-class mandate and who were looking at global economies to see how they were addressing this issue.

In summary, what I found there was that regardless of what they felt about the science – I finished this paper in September of 1990, so that's when a great deal of the science debate about whether it was really going to happen or not was on. The conclusion all three companies came to was that, in fact, regardless of what anybody thought about the science, industry leaders, regardless of industry sector, throughout the globe were making progress on this issue. Why? Because they saw it as a global change management issue. What does change management mean? It means upcoming issues that you could or should deal with in the future that might impact your bottom line. Mr. Speaker, all of them decided that what they

would do is take this situation seriously and that they would start to meet what they expected to be the probable protocols down the road and start to invest in technology and development and move forward on the issue.

So, Mr. Speaker, the only people acting like dinosaurs in this case are the government, not industry.

THE SPEAKER: Additional questions? The hon. Member for Calgary-North Hill.

MR. MAGNUS: Not a question, Mr. Speaker.

THE SPEAKER: We're still in the time frame for questions under Standing Order 29(2).

MR. GRIFFITHS: Mr. Speaker, I have my honours degree specializing in environmental ethics, and fortunately it doesn't take an honours degree in that to understand this issue. I'm wondering if I could ask the question: given that a few countries like Canada have to either reduce their emissions or buy credits from countries who have no emission targets and can increase pollution – sorry, it's not pollution since it's Kyoto – increase their CO₂ levels while also selling credits, how is that going to reduce the total emissions anywhere around the globe?

THE SPEAKER: The hon. member.

MS CARLSON: Thank you, Mr. Speaker, and I thank the member for the question. First, before I address the question, I have to address one of the pieces of misinformation that was in his preamble, and that is that other countries don't have to meet the protocol. They don't in fact have to meet this phase of the protocol.

For instance, let's talk about China, which we hear quite a bit about in this Assembly. In fact, per capita right now China emits less than one unit per person. Alberta, on the other point, emits 78 units per person. When China – they're at about three-quarters of a unit per person right now – hits one unit per person, then the protocol kicks in for them as well.

THE SPEAKER: The hon. Member for Calgary-North Hill.

MR. MAGNUS: Thank you, Mr. Speaker. In view of the hour and in the interest of continuity of debate I'd move adjournment of the debate until 8 o'clock tonight.

[Motion to adjourn debate carried]

THE SPEAKER: The hon. Government House Leader.

MR. HANCOCK: Thank you, Mr. Speaker. I move that we adjourn until 8 this evening.

[Motion carried; the Assembly adjourned at 5:19 p.m.]

