

LEGISLATIVE ASSEMBLY OF ALBERTA

Title: **Tuesday, June 17, 1986 2:30 p.m.**

[The House met at 2:30 p.m.]

PRAYERS

[Mr. Speaker in the Chair]

head: **INTRODUCTION OF BILLS**

Bill 229
An Act to Amend
the Labour Relations Act

MR. STRONG: Mr. Speaker, I beg leave to introduce Bill 229, An Act to Amend the Labour Relations Act.

The Bill would restore the legitimacy of so-called bridging clauses in existing collective agreements, clauses which both the courts and the Labour Relations Board have ruled to be void of effect once a collective agreement has expired.

Further, this Bill would provide that during a strike or lockout no employer may alter terms and conditions of employment or hire employees on different terms and conditions of employment without first reaching agreement with the striking or locked-out employees' bargaining agent as to the altered terms and/or conditions.

[Leave granted; Bill 229 read a first time]

Bill 212
Ambulance Service Act

DR. BUCK: Mr. Speaker, I wish to beg leave to introduce Bill 212, the Ambulance Service Act.

The purpose of this Bill is to establish a uniform and high-standard ambulance service throughout Alberta. Mr. Speaker, I first presented this in the early '70s. With any kind of luck the government will take action one of these years.

[Leave granted; Bill 212 read a first time]

Bill 216
An Act to Amend
the Municipal Government Act

MR. SCHUMACHER: Mr. Speaker, I beg leave to introduce Bill 216.

The principle of this Bill is to amend section 119 of the Municipal Government Act regarding plebiscites. No plebiscite pursuant to this section would be valid unless the number of votes cast in the plebiscite were greater than 66.67 percent of the total votes cast in the preceding election.

[Leave granted; Bill 216 read a first time]

Bill 232
Criminal Compensation Intercept Act

MR. R. SPEAKER: Mr. Speaker, I wish to introduce a Bill, being the Criminal Compensation Intercept Act.

This Bill allows the government to intercept various grants and subsidies that may be sent to someone who has created

a criminal act and that the moneys can be given to the victim of that respective crime.

[Leave granted; Bill 232 read a first time]

Bill 217
An Act to Amend
the Landlord and Tenant Act

MR. GOGO: Mr. Speaker, I beg leave to introduce Bill 217, An Act to Amend the Landlord and Tenant Act. It concerns the matter of security deposits.

The principle of the Bill: where a landlord fails to repay the security deposit, the tenant may take action against either the landlord, the owners, or any directors of the company that own such a building.

[Leave granted; Bill 217 read a first time]

Bill 213
An Act to Amend
the Guarantees Acknowledgment Act

MR. NELSON: Mr. Speaker, I request leave to introduce a Bill, being An Act to Amend the Guarantees Acknowledgment Act.

The amendment requires that before signing a personal guarantee for a bank loan, an unsophisticated investor must take it to an independent lawyer, who will make sure they understand the guarantee, their obligation under it, and sign a certificate to that effect.

[Leave granted; Bill 213 read a first time]

Bill 218
Alberta Palliative Care Foundation Act

MRS. KOPER: Mr. Speaker, I beg leave to introduce Bill 218, the Alberta Palliative Care Foundation Act.

The purpose of this Bill is to initiate a foundation that can solicit and receive by gifts, bequests, or a transfer of property and advance public awareness and understanding of palliative care.

[Leave granted; Bill 218 read a first time]

Bill 211
Seat Belt Act

DR. CASSIN: Mr. Speaker, I beg leave to introduce Bill 211, which pertains to the introduction of mandatory seat-belt legislation in this province.

[Leave granted; Bill 211 read a first time]

Bill 221
Motor Dealer Act

MR. HYLAND: Mr. Speaker, I beg leave to introduce Bill 221, the Motor Dealer Act.

The purpose of this Act is to put the regulations dealing with motor vehicles under one Act. It is modelled on Bills from other provinces. Also, many of the things suggested in this Act are done by motor vehicle dealers as good business practices, but some need reinforcing.

[Leave granted; Bill 221 read a first time]

Bill 204
Plain English Law Act

MR. JONSON: Mr. Speaker, I request leave to introduce two Bills, the first being Bill 204, the Plain English Law Act.

This Bill would put in place a review procedure designed to ensure provincial legislation is in direct, plain, and understandable English.

MR. SPEAKER: I'm sure all members will be very attentive to the Bill.

[Leave granted; Bill 204 read a first time]

Bill 235
An Act to Amend
the Landlord and Tenant Act (No. 2)

MR. JONSON: Mr. Speaker, I request leave to introduce Bill 235, being An Act to Amend the Landlord and Tenant Act.

This Bill would change the Act in order that a business in a landlord/tenant relationship would be allowed to be closed one day a week.

[Leave granted; Bill 235 read a first time]

Bill 6
Appropriation (Interim Supply) Act, 1986

MR. JOHNSTON: Mr. Speaker, I request leave to introduce Bill 6, the Appropriation (Interim Supply) Act, 1986.

This being a money Bill, Her Honour the Honourable Lieutenant Governor, having been informed of the contents of this Bill, recommends the same to the Assembly.

Mr. Speaker, this Bill for just over \$5.7 billion includes the amount of \$4 billion which, by way of special warrant, allowed the government to operate until the full appropriation Act has been dealt with. The Act itself, of course, will allow the operation of the government until estimates are fully considered by this Assembly.

[Leave granted; Bill 6 read a first time]

head: TABLING RETURNS AND REPORTS

MR. KOWALSKI: Mr. Speaker, I wish to table a response to Question 133.

MR. HORSMAN: Mr. Speaker, I wish to file with the Assembly copies of the four communiqués issued by the Western Premiers' Conference 1986 held in Swan River, Manitoba, and a document entitled beyond Alberta's Borders: the Trade Challenge. Copies, I think, have already been made available to all members of the Assembly.

head: INTRODUCTION OF SPECIAL GUESTS

DR. WEST: Mr. Speaker, it is a pleasure to introduce to you, and through you to the members of this Assembly, 42 grade 6 students from the Viking school in my constituency of Vermilion-Viking. I can say today, because it

is the first time I've ever introduced visitors to this Assembly, that this is the best looking group of visitors I have ever introduced to this Assembly. They are accompanied by their teachers Dan Kardash and Barb Fandrik; parents Doris Marko, Phyllis Lefsrud, Barb Morken; and their bus drivers Sandra Zohorodniuk and Terry Sorenson. They are seated in the members' gallery, and I would like them to stand now and receive the warm welcome of this Assembly.

MR. CRAWFORD: Mr. Speaker, I take great pleasure in introducing 35 grades 5 and 6 students from Grandview Heights school in Edmonton Parkallen. I would just say to them that being school children, they would know one of the things that we know here; that is, you can be very busy even while seated in class or in the Assembly, because I don't know when I've heard more Bills introduced than today. The students have had a tour, and they are accompanied by Louise de Bruijne, the teacher, and by parents Mrs. Pearson, Mrs. Kraychy, and Mrs. Hindmarch. I would ask them to rise and receive the welcome of the members.

MR. YOUNIE: Mr. Speaker, it is my pleasure to introduce to you, and through you to this Assembly, a group of 50 delightful students from the Glengarry elementary school, one of whom mistakenly gave me an honour by asking me if I was in fact the Premier of the province, to which I was forced to answer no. I would also like to welcome June McIvor and Joan Shapka, their teachers. I would like them to rise and accept the very warm welcome of the members of the Assembly.

head: MINISTERIAL STATEMENTS

Office of the Premier

MR. GETTY: Mr. Speaker, Albertans have recently been saddened by the tragic loss of our fellow citizens in air accidents in the Kananaskis region of Alberta. The sympathy of the government is extended to the families and friends of the victims. The government also recognizes the efforts of all those persons who have been involved in the search and rescue attempts, and our sincere thanks is expressed to them.

It is our understanding that as of last evening the air search was discontinued and as of this evening the ground search will be terminated. Notwithstanding these search efforts there still remain two persons unaccounted for. We believe that further ground search efforts are warranted for a period of time. Accordingly, I have asked the minister responsible for Alberta Public Safety Services to make arrangements for the ground search to continue, and I have asked him today to give further details of those arrangements.

Public Safety Services

MR. KOWALSKI: Mr. Speaker, I wish to inform the House that the government of Alberta has made a further request of the Department of National Defence to continue an intensive ground search for an aircraft missing west of Calgary since June 6, 1986. On June 12, 1986, I requested that a ground search party of approximately 100 persons be made available for 72 hours to assist the search and rescue operation for the missing light aircraft with two persons aboard in the Kananaskis area of Alberta. At midday today a further request was made, and I'm pleased to advise

that the federal Minister of National Defence, Mr. Andre, has agreed to assist.

The air search and rescue efforts of the Department of National Defence and the Civil Air Rescue Emergency Services have covered every primary search area several times without sighting the aircraft. These resources will remain on call to the ground search forces should they be requested or required. The ground search forces are doing a detailed search of the entire area where the aircraft is believed to have gone missing. Kananaskis Country personnel and approximately 120 Department of National Defence personnel from the Princess Patricia's Canadian light infantry at Calgary have been involved in the search.

The request made today by the Alberta government to the Department of National Defence is to extend the original request made on June 12 for ground search personnel until the primary search area has been thoroughly covered and every reasonable effort has been made to locate the missing aircraft and its crew. An additional 30 people from the Alberta Forestry, Lands and Wildlife department will augment the search effort, and volunteer groups are being organized to assist, if required, under the overall direction of the ground search co-ordinator, Mr. Lloyd Gallagher, public safety co-ordinator, Kananaskis Country.

MR. MARTIN: Mr. Speaker, to reply to the ministerial announcements by the Premier and the minister, I would like to compliment them both on the step they've taken today, because I'm sure they're aware that we as the Official Opposition had been approached by representatives of the family to perhaps raise this matter.

I think we can all appreciate the anxiety experienced by the family. I imagine in a situation like this, where you just don't know, it's unbearable. I appreciate that the ground search is going to go on, as I understand it, in the primary search areas until every reasonable effort has been made. Again, I compliment the government. I think it is the right decision under the circumstances.

I would say in conclusion, Mr. Speaker, that in view of the fact that there does not seem to be — and it probably puts the government in some dismay not knowing what to do — any clear-cut policy of the provincial role in disasters like this, perhaps the minister could take under advisement that an independent review of the process might be in order. But I lay that as an example of something that could be done. In conclusion, I appreciate the good work done by both gentlemen in this case.

head: ORAL QUESTION PERIOD

Natural Resource Revenues

MR. MARTIN: Mr. Speaker, enough compliments for the day. I'd like to turn my attention to the Provincial Treasurer, in regard to the budget. Both in the budget speech delivered by Mr. Hyndman in April and in last night's address of the Treasurer, the government has claimed that it is not possible to accurately estimate energy revenues for next year. I think the term is that oil price is a moving target. Nonetheless the government is sticking to an estimate of one-third reduction in nonrenewable resource revenue. The question to the minister: could the minister indicate how this estimate came about? Did the minister flip a coin and decide that this was a good estimate and he'd throw it out to the Assembly?

MR. JOHNSTON: Mr. Speaker, of course the government in preparing or recommending a budget to the Assembly gives ample and careful consideration to the numbers and the estimates which are therein reflected. On the revenue side there were some difficulties in arriving at an estimate as to what the revenue would be, given the current uncertainty in oil pricing. In particular in the April 10 budget the trend was down, as you are probably well aware, and in terms of this budget there was a trend upwards in terms of world oil pricing.

In the case of the revenue assumptions, Mr. Speaker, you should note that the budget now, toward the middle of June, is approximately two months into its fiscal period. What this budget does reflect is confidence in the fact that prices will firm toward the end of 1986 and early 1987, that the royalty assessments and cash flow will in fact take place as demand starts to pick up toward the winter months. Right now all world consuming countries have low inventories of energy and will be building up reserves through the latter part of 1986, and of course the winter months will engender their own demand as the demand for energy starts to prompt more usage of liquid hydrocarbons. Certainly those from Canada who will be exporting into the United States will strengthen and firm both the price and the market opportunities.

MR. MARTIN: A supplementary question, Mr. Speaker. The Treasurer's estimates seem somewhat contradictory to other forecasters. I notice that the C. D. Howe institute projected several years of depressed commodity prices. My question is to the minister, flowing along from his logic. I understand that he says that there will not be a deficit; it should basically be paid off by 1990. In view of most forecasters how would the minister come to that conclusion, that there will be no deficit by 1990?

MR. JOHNSTON: Mr. Speaker, what I indicated in terms of the deficit was that it's my feeling and view that increased royalty revenue to the province of Alberta will more than offset this year's deficit by 1990. That's a clear assessment. Obviously, we're forecasting to some extent, but I think that's a reasonable position to take, in light of the experience which this government has seen in terms of its 1982 fiscal plan, where in fact a \$2 billion deficit was suggested, and that has now been fully recovered.

The position of the government at April 1, 1986, is that we have a \$900 million surplus, even though over the past three years we have in fact budgeted for deficits. It shows the cyclical nature of the cash flow. I have every confidence in the fact that our revenue projections through to this period will be confirmed as we move closer to March 31, 1987. [some applause]

MR. MARTIN: If I may say so, Mr. Speaker, because the minister says so and the backbenchers pound their desks does not necessarily make it come about. My question to the minister: in view of the fact that most forecasters are predicting low commodity prices, what other information does the government have that would lead them to go to forecasters like the C. D. Howe institute, for example?

MR. JOHNSTON: Mr. Speaker, the hon. Leader of the Opposition has not given us much more to judge from, giving only his own view and the C. D. Howe estimates. I don't know if that adds much more to the argument than he has presented, except to say that the frailty in the

question of pricing and judgment of pricing has gone in many directions, from the high prices of the 1979 period through to the scenarios we now see. It is a safe assessment, given the action of the commodity market, given our assessment of demand, and given our assessment of supply, both in terms of OPEC and non-OPEC producers, that demand will increase through the end of 1986 for the reasons I have suggested. That can only stimulate price increases, which we are confident will take place and which we are confident will reinforce our budget estimates.

MR. MARTIN: A supplementary question. I would remind the minister that the figures he projected in the budget have actually gone down in the last few months. He's well aware of that. In view of that, so we can have an intelligent budget debate — we have not again had the various elements of the resource revenue category brought in in the budget. Would the minister be prepared to give his figures, how he came to the suggestion we have in this Legislature about this budget? Would he be prepared to table the departmental projections upon which the revenue estimates are based? Would he do that in this Legislature so we can have an intelligent debate about this particular problem?

MR. JOHNSTON: First of all, Mr. Speaker, the hon. leader makes a statement with respect to the new state of revenue forecast. Obviously, the reduction in revenues, which are now reflected in this statement, revealed the new incentives which this government has brought forward to stimulate activity in the oil and gas sector. Never before has the government responded to assist the sector, and we will continue with that commitment to ease it through this period. With that kind of commitment we are sure new investment will flow, which will match the demand situation we see.

Secondly, with respect to the detailed analysis, Mr. Speaker, I can simply say that we are sticking with our position. It will be a one-third assessment. It is as good a guess as any with respect to a number of variables which are factored into the price prediction. That is what we'll have to deal with in terms of the debate in this House.

MR. TAYLOR: Mr. Speaker, to the minister. While complimenting his wild if unreasonable optimism, I wonder if he could tell us how much the price of a barrel of oil in Alberta will have to rise to equal the \$2.5 billion he has to recover in his deficit. How much will Alberta oil have to rise to, to equal that amount or generate that \$2.5 billion that he says we are short in the deficit?

MR. JOHNSTON: Mr. Speaker, the hon. member is trying to get me into another guessing game on a different plane. It should be noted that part of the revenue flow to the province of Alberta is based on a number of assumptions, not just the price assumption. The other assumptions, of course, must include the volumes. I would hope he speaks for the industry, as we are saying that we're encouraging expanded volumes in natural gas sales, for example, into the United States: always an objective of this government. We think that should happen and will happen over the decade.

We're looking as well, in terms of other demand, at synthetic production. This government has made a clear commitment, with the initiatives for Syncrude and for Sun-cor, to increase the expansion of synthetic production in this province, and we will continue with that commitment.

That will allow us to have energy self-sufficiency, which will meet the increased demand.

Finally, Mr. Speaker, the royalty side is always subject to change. We know that as the prices increase, obviously, royalties increase. [interjections]

MR. SPEAKER: Order please.

MR. JOHNSTON: Those, Mr. Speaker, are three of the elements which the member asked for. I'm attempting to respond to his question. He may not agree with the analysis, but in fact, that is as close to the presentation as you're going to get.

MR. R. SPEAKER: Mr. Speaker, a supplementary question to the Provincial Treasurer. How does the Provincial Treasurer rationalize the fact of the increased production and also stability of revenue from the oil and gas industry when projections this summer in the industry in Calgary of unemployment range up to 20 percent?

MR. JOHNSTON: Of course, Mr. Speaker, the budget document also indicates the uncertain period we are now in moving through to the summer. Every statement we have made deals with the balance of the year, starting in the fall of 1986 through the early months of 1987. As we've indicated, if there's any indication of firming of the price — which we think will take place toward the end of 1986 — there will be a quick response by that industry. It's ready to invest; it knows it has an opportunity. As the Budget Address says, the finding costs and opportunities in Alberta are greater than anywhere else in North America.

MR. MARTIN: For those of you who haven't been in the Legislature, it sounds like we have a microphone. I've heard it all before, Mr. Speaker.

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Gainers' Workers' Pensions

MR. MARTIN: The next question is to the Minister of Labour, if I may, Mr. Speaker. It concerns the frankly appalling news that Gainers Inc. is cancelling its pension plan. Has the minister asked his officials for any information on whether or not this would be possible, given legislation that protected bridging clauses and stopped the 24-hour lockout game?

DR. REID: Mr. Speaker, this matter first came to my attention at about 1:30, I think, on Friday afternoon. I very promptly transmitted the information to the disputes inquiry board, to Mr. Dubensky, as I felt that since benefits were one of the items under dispute, he should have the information. He got it either on Friday or first thing on Monday morning.

MR. MARTIN: Well, excellent work. Let the disputes inquiry . . . My question simply is this: has the minister reviewed the labour laws to see if it would stop this sort of move by Gainers if the bridging concept were brought back?

DR. REID: Mr. Speaker, the matter is that any private pension can be closed down at a given time. There are

regulations and there are laws to cover that process. Those regulations and those laws will be followed in this instance.

MR. MARTIN: Mr. Speaker, a supplementary question. Obviously, the minister hasn't looked into it. He talked about the disputes inquiry. Could he indicate that he let the mediator know? Could the minister indicate to this Assembly if this latest unjust news is in any way harming the disputes inquiry process, as the UFCW has indicated?

DR. REID: I'm unaware of that fact; I haven't had any communication from Mr. Dubensky along those lines.

MR. MARTIN: Supplementary question, Mr. Speaker. If it was proven to the minister's satisfaction that the bridging was causing the problem of this pension, could we get a commitment from this government to move in this session and bring about a change in the bridging part of it and follow the private member's Bill that was just advanced today?

DR. REID: Mr. Speaker, my understanding is that the termination is dated for May 31 of this year, which was prior to the strike starting or the lockout.

Energy Industry

MR. TAYLOR: The question, Mr. Speaker, is to the hon. Premier. As he is aware, we have subsidized Ontario and Quebec when oil prices were high, to the tune of \$40 billion or \$50 billion — in excess of \$50 billion exactly. In light of the recent decline of oil prices, in spite of the rather happy dreams of our Treasurer, will the Premier ask the Prime Minister to renegotiate the terms for the western accord, which would see eastern Canada paying back just a little bit of to what they owe us?

MR. GETTY: Mr. Speaker, I think it is appropriate for the government of Alberta to raise with the federal government and with all eastern Canadians whom Alberta helped so much during the high price of energy, to participate in programs that would assist Alberta's and other western provinces' energy sector, and we will be doing that.

MR. TAYLOR: Mr. Speaker, when will the Premier be meeting with the Prime Minister to formulate a new energy accord?

MR. GETTY: Mr. Speaker, the responsibility to start these negotiations is with the Minister of Energy, who has already mentioned a meeting he will be having with the federal minister of energy, and then we will take any additional meetings as required.

MR. TAYLOR: A supplementary, Mr. Speaker. Could the Premier tell us or could he assure the Legislature that this hemorrhage is not going to continue and, as he is speaking, will he be taking a position against deregulation of gas prices? Will he be asking his federal cousins to delay the deregulation of gas prices?

MR. GETTY: Mr. Speaker, there's some debate in the industry and in government circles as to whether or not it's beneficial to move in the area of full deregulation of natural gas. As the members know, we have gone through a year period while industry prepares for the deregulation.

Many, many people in industry feel that we should continue the course of deregulation. The hon. leader of the Liberal Party has some views on this. I wish he would express them, and we would certainly take them into account.

MR. PASHAK: A supplementary question, Mr. Speaker, to the Minister of Energy on a related matter. Given that Ontario and Quebec refineries are switching to cheaper imported crude, will the minister inform the Assembly what steps he is taking to ensure that this province's oil has guaranteed access to Canadian markets?

DR. WEBBER: Mr. Speaker, as a result of the energy accord we have with the federal government — and I might add that as a result of that energy accord and the natural gas agreement, we had in this province in 1985 one of the best years the industry has seen. That change has certainly come about because of the fall in the international prices of oil, which essentially is beyond our control. But in terms of the question the hon. member asked, as a result of that energy accord and as a result of talking to industry and their desires to see deregulation take place, it was naturally expected that there would be some increase in imports. But at the same time, there's been increase in export. At the present time, that has been the case.

Farm Credit Stability Program

MR. R. SPEAKER: Mr. Speaker, my question is to the Provincial Treasurer. It's with regard to two comments the Provincial Treasurer made in terms of the farm credit stability program. In *Hansard* of June 13 the minister indicated yet again: "Mr. Speaker. I think our position is clear on that. This program is not an interest subsidy program as such." The minister indicated on page 6 of the Budget Address last night, "The statutory funding requirement for the interest rate relief is estimated at \$25 million in 1986-87." Could the minister indicate why the contradiction? Is it an interest subsidy program, or is it not?

MR. JOHNSTON: Mr. Speaker, there is no contradiction. It is not an interest rate subsidy program. I'm sure we will have an opportunity when the estimates of Treasury come forward to debate that further, except the plan of the government now is to introduce a long-term credit stability program at a fixed rate of interest, which cannot be described as being an interest rate subsidy program.

MR. R. SPEAKER: Mr. Speaker, a supplementary. Could the minister indicate what time the program will be available? The minister has indicated possibly after the long holiday weekend, in the first week of July. Will applications be available at that time? Will the announcement of details be available to the general public at that time?

MR. JOHNSTON: Mr. Speaker, we're rushing with all our human resources and abilities to meet the deadline, which I think the Premier and the Minister of Agriculture have specified. It's of that order. Obviously, if you want to tie us down to a date, it's going to be difficult to give you a specific date, because you will remind us of how far we failed. But I'm simply telling you — as honest a commitment as possible — that we're doing our utmost to get the plan in place for the early part of the summer of this year.

MR. R. SPEAKER: A supplementary question to the hon. Provincial Treasurer. In terms of preference of application,

will there be any preference in terms of who is served by those applications? Persons in financial difficulty, say, first of all; secondly, existing loans that farmers have in place; and thirdly, new loans? Will a preference system be established when the loan applications become available, or do the farmers line up 30-deep on that day and apply as quickly as they can?

MR. JOHNSTON: Mr. Speaker, we're hopeful that with the number of financial institutions which are in place in this province, including Treasury Branches and credit unions, we should be able to meet the immediate demand for loan assistance. Yet, recognizing the member's interest and concern about the farm community that he represents, perhaps he could recommend to me a priority list which we could consider as information.

MR. R. SPEAKER: A supplementary to the Provincial Treasurer. It's with regard to the program for small business across the province of Alberta. Will that program take on the same format as the Alberta farm credit stability program?

MR. JOHNSTON: Mr. Speaker, as the member I'm sure is aware, when we announced before the election the broad details of these programs, we felt that in the case of the farm stability program a longer term, 20 years in particular, was envisioned, to assist farmers to move out of the current debt problem they're facing. But with respect to the small business program we felt it should be a shorter term. Generally, outside of the term, the conditions of the two programs will be very much the same.

MR. TAYLOR: Mr. Speaker, to the Treasurer. With respect to the farm loans supplementary, I appreciate his system of priorities. It conjured up in my mind visions of a another Oklahoma land rush. But I wanted to get it through to the Treasurer. With his estimate in the budget of \$25 million or so in costs, are you talking about a guarantee of interest to the farmers — in other words, an interest-shielding scheme whereby the banks or some other institution will lend the money, and government just guarantees the interest rate will not go above that — or are you actually talking about lending money from the heritage trust fund?

MR. JOHNSTON: Mr. Speaker, I must first of all confess that not all of the financial dealings with the institutions are in place. I'm sure the Member for Westlock-Sturgeon can understand that I am to some extent providing the best explanations we can at this point. But because it is not an interest rate subsidy program and because we want to establish fixed term loans for the farm community, we intend to use the financial institutions to deliver those programs at a fixed rate of interest.

Obviously, institutions do not do this for no fee, nor would anyone in the private sector do it for no fee when there are costs involved. What we will do is use the financial strength of this province from a variety of sources, including the Heritage Savings Trust Fund, as referenced by the member, to provide funding to the financial institutions at some rate which will allow them to make a decent rate of return or a spread on that money. As to the charges that shall be incorporated in that negotiation, of course, those are not totally in place at this point, and I cannot go further than to simply sketch for the member that broad arrangement.

But clearly, Mr. Speaker, it's a fixed rate interest program. Subsidies to the farmers are not directly in place, and we

hope that the take-up will be significant to assist this particular sector of the farming community. We know that among other provinces in Canada this is a unique and novel approach to dealing with this particular problem.

MR. FOX: Mr. Speaker, as a member from a rural constituency I'd like to assure the minister that there is considerable concern in the community about the rate chosen for this program, that the 9 percent rate is too high and won't have the desired effect. What we'd like to know is: is there a mechanism in place to allow for a lowering of the rates when you see that it's not having the desired effect in the farming community?

MR. JOHNSTON: Mr. Speaker, I appreciate the position of the member. Obviously, the rate is of concern to all of us, but I think that in terms of contemporary financial borrowing plans the 9 percent is substantially below the existing long-term rate. If the member has other information he can provide to me, I'd certainly appreciate it, but I think that right now the 9 percent is the best long-term rate in Canada.

Summer Employment Programs

MR. JONSON: Mr. Speaker, I wish to propose a question to the Minister of Manpower. With the secondary schools of the province winding down for the school year and the consequent influx of students into the job market, I wonder if the minister could advise the House as to what programs are or will be in place to meet this demand for jobs from high school students.

MR. ORMAN: Mr. Speaker, the Department of Manpower has two excellent summer programs relating to the surge of temporary employment from the school students. The first one is hire-a-student, which I think is probably the most famous hiring program in this province. We have 53 offices across the province. It's an Alberta Chamber and Alberta Manpower joint initiative, and it's been very successful over the years.

The second is the summer temporary employment program. It provides career/work related experience for postsecondary students. We have offices throughout the province, and if the hon. member is aware of students that are looking for summer employment, I would certainly feel comfortable in referring him to one of these two programs.

MR. JONSON: A supplementary question, Mr. Speaker. Given that there certainly are some students that are not yet employed for the summer, I wonder if the minister could advise the House as to whether he has any estimate of the effectiveness of the programs he's mentioned?

MR. ORMAN: Certainly, Mr. Speaker. The hire-a-student program last year reached out and assisted some 44,000 students in this province, and the STEP assisted some 11,500 students. If we total all of the manpower programs related to employment, we assist individuals in one way or another to a total of 460,000 people. I think that's a very admirable job done by the Department of Manpower and this government.

MR. SIGURDSON: Mr. Speaker, I'm wondering if the minister can advise the House if he's intending to extend the application program for summer temporary employment?

I understand that the application time for that program expired a number of weeks ago.

MR. ORMAN: The deadline was April 1, Mr. Speaker. That deadline is the same year to year, and we have at this time no plans to extend that deadline.

Small Business Loan Program

MRS. HEWES: Mr. Speaker, to the Provincial Treasurer. Relative to the \$750 million loan program for small business, when can we anticipate this program will be implemented?

MR. JOHNSTON: Mr. Speaker, our priority right now is to deal with the farming community, and we're attempting to get that program in place, given the urgency expressed by some members. But we expect that through the summer as well, shortly after the introduction and completion of the farm credit stability program, in fact the small business program will be ready to go. Obviously, the details and some of the approaches will be applied to that program, and we expect it to move fairly rapidly.

MRS. HEWES: A supplementary, Mr. Speaker. Will the administration of this program be undertaken by a government department or by private agents? The \$15 million, I take it, is the same in this program as in the farm shielding.

MR. JOHNSTON: To both questions, Mr. Speaker: we'll be using the existing financial infrastructure or the financial institutions within this province to deliver the program, because it obviously allows the institutions to deal with their clients, and we simply assist that particular strength in the Alberta economy and the private sector wherever possible to expand their credit horizons.

Secondly, with respect to the costs you are absolutely right. The same procedures are in place or contemplated, and that's why this appropriation is in my budget.

MRS. HEWES: Mr. Speaker, to the Treasurer. Would you outline for the Assembly the eligibility criteria for receiving assistance under the program?

MR. JOHNSTON: Mr. Speaker, I probably would be glad to do it at some point. But first of all, the test of eligibility and the criteria are now directly the responsibility of the minister of economic development. I don't want to trap myself because I understand that I'm also the acting minister of economic development. But I can safely say that the intention of the program first of all is to stabilize the long-term funding requirements of the private sector, small business in particular. The small business test will apply in terms of assets and income; the Alberta presence will apply in terms of ensuring that it's an Alberta corporation; and the Alberta ownership will apply to ensure that Alberta investors are taken advantage of.

We know that the private sector generates 60,000-some jobs each year, and we're trying to bring a program in behind it to ensure that job opportunities are created in this province.

MRS. HEWES: Mr. Speaker, a final supplementary to the Treasurer. For instance, in the Alberta stock savings plan an eligibility requirement of \$250,000 in assets is one of the requirements. Does the government intend to use the

same criteria for eligibility to participate in the small business loan program?

MR. JOHNSTON: Of course, Mr. Speaker, you can appreciate that the scale of operations in the case of small businesses must be reduced dramatically. We will err in favour — if you will excuse the term, a liberal assessment — of small business. But we will do our best to ensure that the widest possible number of small businesses are eligible for this program. The asset test will be a minimum, simply to preclude the larger corporations from benefitting from this program.

DR. BUCK: Mr. Speaker, to the hon. minister. What does this first come, first served on the application mean to the government? Does that mean there's a lineup, or does it mean blue and orange cards? What does the first come, first served thing mean?

MR. JOHNSTON: First of all, Mr. Speaker, if the member is adding to the comments of his colleague with respect to the priority list, I've attempted to show that we will deal with all loans as quickly as possible. That's the intention of the program. Obviously, we do not at this point point to a first come, first served list. I would expect that those loans where the farmer or the small businessman has some sort of a crisis before him would obviously become the priority, and that's only a reasonable expectation. That is also the discussions we've had with the financial institutions.

I should say, Mr. Speaker, while I have an opportunity that I do not want to mislead the lady with respect to my last answer. I want to be absolutely clear that we will have as easy an approach to asset tests as possible. There will not be the \$250,000 test that she referred to.

MR. HAWKESWORTH: I'd like to ask the minister, as a supplementary, who determines whether an individual business qualifies or does not qualify? That is, how will this program be different from a small business getting a loan from their usual bank manager or their loans officer? How will it be different from that?

MR. JOHNSTON: Mr. Speaker, there is a variety of ways, which I can differentiate. I think it is safe to say, however, that in this program the government anticipates providing a guarantee where the risk is greater. I'm sure that this guarantee in itself will ensure that riskier loans, obviously, are given to the private sector. That's the general intention. Again, I hesitate to be too specific, because not all of these details have been put in place with respect to the financial institutions.

Alberta Stock Savings Plan

MR. McEACHERN: Mr. Speaker, my question is to the Provincial Treasurer. Has the Treasurer asked his officials for a report on how in the world it is possible that a provisional certificate of eligibility was issued by his department for a company. [Amusements] International Ltd., which intends to use the Alberta stock savings plan to build a waterslide in Redondo Beach, California?

MR. JOHNSTON: Of course, Mr. Speaker. I've asked, and there's been no certificate issued.

MR. McEACHERN: A supplementary, Mr. Speaker. Will the Treasurer not admit that quite a number of these

provisional certificates of eligibility have been issued? There are a number of press reports to that effect.

MR. SPEAKER: With reference to the press, I'm sorry; it is out of order. Perhaps the minister would like to respond to the first question.

MR. JOHNSTON: Mr. Speaker, perhaps I should take a few seconds, since the question has been raised. I ask your advise, however, Sir, in that we are dealing not with legislation but essentially with policy, which the government has implemented to some extent. On the assumption that I can give a brief explanation, perhaps I should do that.

Mr. Speaker, let me begin by saying that the intention of the Alberta stock savings plan was introduced and outlined by legislation brought forward by my previous colleague, Mr. Lou Hyndman, then Provincial Treasurer. In that legislation we put out a policy statement, which we believe will encourage private-sector investment in Alberta companies. Obviously, the intention was to ensure that Alberta private investors would be able to use the tax system, which is a general application to all investors in Alberta, to muster the aggregate potential in Alberta to invest back in the private sector and to generate jobs and to generate economic activity. That still is the intention and the initiative which this government will follow.

Secondly, an issue of economic union has often been discussed in this country, in this Confederation of provinces. We know full well that it is in fact impossible to prevent money from flowing outside of our provinces even though the plans or the incentives or the benefits had been driven by a particular province, and we in Alberta have worked on that premise for some time. Mr. Speaker, since we have drawn a lot of money from other parts of Canada to support megaprojects in this province. I witness some of the substantial investments in oil and gas development, in synthetic oil and crude, in the petrochemical industry in particular. So we know that, when we work on the principle that in a confederation you must allow for the free flow of resources within the country.

Thirdly, Mr. Speaker, let me indicate to you that we intend to maintain the Alberta precedence priority. There is no way that we will back away from the test to ensure wherever possible that the maximum economic benefits flow to this province. Now the current legislation...

MR. SPEAKER: Excuse me. Thank you. Sorry, would you please resume your place as well.

At some stage of this last number of minutes I did hear the word brief. My definition of brief is being somewhat sorely tested. With respect to the fact that the Chair has some discomfort with the question at the moment, I believe I'm going to have us move on and recognize the next member into question period, because we have at least nine other members who are anxious to get into this discussion. Does the member have a point of order?

MR. McEACHERN: It does seem to me that when a government is proceeding with a plan that is getting a reaction — that is not a hypothetical question — they deserve to be questioned on that.

MR. SPEAKER: If you have a very brief supplementary question which is without rhetoric, without comment — one brief supplementary question. [interjection] No. I'm sorry. You're not in a bargaining position.

MR. McEACHERN: Will this government assure us that the majority of the jobs created by the investments they make through this plan accrue to Alberta?

MR. JOHNSTON: Mr. Speaker, I believe I've already given that assurance. That is one of the principles which we will stick to. We will attempt to define the Alberta precedence wherever possible and maximize that the investment flows come to our province first of all.

Geriatric Care

REV. ROBERTS: My question is to the hon. Minister of Hospitals and Medical Care. As we were reminded in the House yesterday, this is Senior Citizens Week in Alberta, and as we were told in the government's Speech from the Throne, the government is committed to the best health care system anywhere in the world. But as the minister is do doubt aware, we are facing a crisis in this province of health care for the elderly. My question for the minister is: what is he doing about the fact that five out of the nine positions for geriatricians at the Youville Memorial hospital are now vacant, and are there growing threats to the facility's survival as an active treatment geriatric hospital?

MR. M. MOORE: Mr. Speaker, most hon. members would be aware that the Youville Memorial hospital is a part of the Edmonton General hospital. It is a very unique institution in terms of its role in health care for senior citizens. As such, there have been a number of difficulties over the course of the last three years in bringing that institution to its full capabilities.

The role of the Youville hospital has not been clearly defined and agreed to by the Department of Hospitals and Medical Care, the University of Alberta medical department, and the board of the General hospital. In addition to that, there is some dispute within the hospital as to who actually runs or controls or operates the Youville Memorial hospital, whether it be the board of the hospital or the medical staff.

Those differences of opinion have led to some uncertainty by certain medical staff as to what their position is and whether they want to continue providing their services to our senior citizens through that facility. Mr. Speaker, the matter rests almost entirely with the board of directors at the Edmonton General hospital, who have been meeting and will continue meeting, as I understand it, to discuss the problem associated with the medical staff and the fact that some have left and others may be preparing to leave.

I can, however, assure the hon. member that as far as I'm concerned, the Department of Hospitals and Medical Care and my office, working with the board, will do everything we can to ensure that that facility is utilized to its fullest extent. In that regard we have three world-renowned specialists in medical care for elderly people who will be visiting with us in July of this year to do a full assessment of the medical programs at the Youville centre and making recommendations to the board, my department, and the medical staff. That fact is well known by all those involved.

REV. ROBERTS: A supplementary question, Mr. Speaker. I am glad for the minister's awareness of the key issue. Has he given consideration to giving the administration of the 210 beds at the Youville that have been set aside for

geriatric medicine over to either an independent board or hospital district 24 for their careful administration?

MR. M. MOORE: Mr. Speaker, as a matter of fact, no consideration whatever has been given to that because I have full confidence in the ability of the existing board of the Edmonton General hospital to manage and operate properly the Youville wing of the Edmonton General hospital.

REV. ROBERTS: A supplementary question, Mr. Speaker. That's like saying we should have heart specialists run a cancer hospital.

Mr. Speaker, has the Minister of Hospitals and Medical Care ever spoken to the geriatricians at the Youville to know their concerns and the reasons for their massive resignations?

MR. M. MOORE: Mr. Speaker, I have spoken with the members of the administration of the hospital and also with the members of the board of directors of the hospital. My contact with the hospital, in terms of its operation, will continue to be with those who are responsible for the hospital's operation, and that is the board of directors.

REV. ROBERTS: A supplementary question, Mr. Speaker. Maybe we can ask the ex-hospitals minister if he knows about some of this.

AN HON. MEMBER: Out of order.

REV. ROBERTS: On the same topic, Mr. Speaker.

MR. SPEAKER: I'm sorry, you cannot direct a question to the previous minister.

REV. ROBERTS: Oh, I'm sorry. It's on the same matter. To the Minister of Advanced Education: what programs of support has he as the Minister of Advanced Education given for research in and teaching of active treatment geriatric medicine in the province of Alberta, which is one of the few provinces of Canada that does not yet have ...

MR. SPEAKER: The question is complete, thank you.

MR. RUSSELL: Mr. Speaker, the support that was there, through the university and through the Department of Hospitals and Medical Care, for specialized geriatric treatment is well known, and the very good accomplishments of Dr. Skelton are well known. It's true that we would like to see more geriatric specialists in our schools of medicine. Unfortunately, we haven't yet been able to convince young people that that's a good role to take up, but hopefully they will. I agree with the hon. member opposite that that is the major health challenge of the future, and our educational system should be preparing for that challenge.

MR. SPEAKER: The final question of the day. The Chair recognizes the Member for Calgary Buffalo.

MR. CHUMIR: Mr. Speaker, I was rising to ask a supplementary in respect of the previous question, if that would be feasible.

MR. SPEAKER: Agreed, but may we move ahead with some alacrity.

MR. CHUMIR: As long as it doesn't imperil my new question.

MR. SPEAKER: I recognize you for a supplementary.

MR. CHUMIR: To the minister of hospitals, and perhaps this might be something that the hon. Premier might wish to answer. Earlier this year Dr. Christine Mason, who was the last geriatric medical specialist in the city of Calgary, having departed, wrote an open letter to the Premier complaining about government policies.

MR. SPEAKER: Question please.

MR. CHUMIR: As she complained about the absence of focus on geriatric medicine in the city of Calgary — there's not one geriatric doctor — what has the government response been to that letter of Dr. Mason's?

MR. M. MOORE: Mr. Speaker, I'm not familiar with the particular letter the hon. member refers to. If he could perhaps provide me with a copy of it, I'd be pleased to check into the matter.

MR. CHUMIR: I'm sure that the Premier could provide the hon. minister with a copy.

MR. SPEAKER: Could the hon. member take his place for half a moment. Thank you.

Question period has technically come to an end, but because I have recognized the Member for Calgary Buffalo, we will go through this series of questions with alacrity, if we have concurrence of the House. Is it agreed?

HON. MEMBERS: Agreed.

MR. SPEAKER: Thank you.

Natural Resource Revenues

(continued)

MR. CHUMIR: Mr. Speaker, to the hon. Minister of Energy. We are all aware that the province of Alberta has subsidized the rest of Canada insofar as Alberta oil prices were kept below world prices for many years. Can the minister tell this House what the amount of that subsidy is, according to government calculations?

MR. TAYLOR: I'll tell him if you want.

DR. WEBBER: The Member for Westlock-Sturgeon has indicated he'd be prepared to answer the question for you. However, the estimates that we have are between \$50 billion and \$60 billion and, more accurately, \$56 billion.

MR. CHUMIR: Mr. Speaker, to the Minister of Energy. When the government entered into the Western Accord on behalf of the people of Alberta in March 1985, did it not foresee at that time the potential for a major precipitous decline of oil prices?

DR. WEBBER: Mr. Speaker, the western energy accord was in response to an unfair national energy program foisted upon western Canada by the previous Liberal government. [interjections] So that accord came into ...

MR. TAYLOR: It's pretty small now. [interjections]

MR. SPEAKER: Order please.

DR. WEBBER: So the agreement was a good agreement, and industry responded like they hadn't done in years with, as I mentioned earlier today, 1985 being an excellent year. However, the control over international prices, as the member is well aware, is beyond that of this particular province.

MR. TAYLOR: What would you rather have, Ottawa or the sheik controlling the prices?

MR. SPEAKER: Question please. Supplementary.

MR. CHUMIR: Mr. Speaker, to the Minister of Energy. We're all aware of what a wonderful agreement it is.

MR. SPEAKER: Question please.

MR. CHUMIR: Might I ask the hon. minister why it was, in light of the obvious likelihood of the decline in oil prices, that a provision was not inserted into the Western Accord protecting the people of this province in the same manner as section 9 appears to have been put in to protect the consumers?

DR. WEBBER: Mr. Speaker, I suppose we could rehash in a debate way the Western Accord and negotiations leading up to that. If the hon. member wanted to put a motion on the Order Paper, I'd be happy to participate.

MR. CHUMIR: Mr. Speaker, a final supplementary to the hon. Provincial Treasurer. Does the government have an estimate of the cost to the province of Alberta of the loss of royalties arising as a result of the deregulation of gas prices on November 1?

MR. JOHNSTON: Mr. Speaker, that kind of a question would have to go on the Order Paper and more appropriately would go to the Minister of Energy.

MR. SPEAKER: The Chair agrees.

MR. PASHAK: A supplementary question.

MR. SPEAKER: No, I'm sorry. No further supplementaries today. Thank you.

The Chair would like to remind all hon. members that we have left outstanding today eight members of the Assembly who would like to participate in the question period. Again the Chair would remind both those framing the questions as well as those responding that the nature of question period really calls for the posing and the answers as being relatively brief in the seeking of information. Nevertheless, the Chair apologizes to hon. members who were not able to participate in question period today, and I would hope to be able to take some notice of that with regard to question period tomorrow.

I would also like to point out that the Chair and members have been guilty of using phrases such as "you" and "members from," and again I hope that as we carry on in the learning process, we will refer to each other as the "member for" and that we do not engage in referring to each other as "you." But again our guilt has been mutual on this occasion.

Might the hon. Minister of Public Works, Supply and Services stand and reply briefly to the question which was raised yesterday in question period?

HON. MEMBERS: Agreed.

Government Purchasing Policies

MR. ISLEY: Thank you, Mr. Speaker.

The hon. Minister of Recreation and Parks yesterday accepted a question on my behalf directed by the Member for Edmonton Meadowlark. The question was related to the supply of certain products for the construction of a road project on Highway 17. I'm in a position today to inform the House that the assessment of tender documents has been completed, and the contract is being awarded to Genstar, located in Edmonton, Alberta.

head: ORDERS OF THE DAY

MR. SPEAKER: I wonder if we might revert briefly to Introduction of Special Guests. Is there agreement, Members of the Assembly?

HON. MEMBERS: Agreed.

head: INTRODUCTION OF SPECIAL GUESTS (reversion)

MR. WRIGHT: Mr. Speaker, it's my pleasure to introduce 15 students from the International Student Centre, who were here; I hope they still are. Will they rise if they are, please — thank you — with their teachers Najib Mirza and Doug Chellborn. This is from the constituency of Edmonton Strathcona. I would wish the members to signify their appreciation and welcome in the usual way.

Thank you, Mr. Speaker.

MS BARRETT: Mr. Speaker, I too would like to see if the visitors I was expecting are here from the Mount Royal elementary school. Good. There are 27 of them in the grade 6 class. Today they are accompanied by teachers Mr. Dolinski, Mr. Mitchell, and a parent Mrs. Jacob, arriving after 3 p.m. today. I wish them well. I'll meet them in a few moments, and in the meantime I ask that the members recognize them in the traditional warm welcome.

MR. HORSMAN: Mr. Speaker, with regard to questions and motions on the Order Paper I would move that questions 131, 132, 136, 137, 138, and 139 and all the motions for returns, 140 to 147 inclusive, stand and retain their places on the Order Paper.

[Motion carried]

head: WRITTEN QUESTIONS

130. Mr. Wright asked the government the following question: Is it the intention of the government to direct, through the Department of the Solicitor General, that the current statute banning the use of so-called radar detectors in the province of Alberta be enforced?

Is it the intention of the government to introduce legislation legalizing the use of so-called radar detectors in Alberta?

133. Mr. Younie asked the government the following question: On April 17, 1984, the Assembly ordered the production of two returns showing:

- (1) copies of various sorts of information gathered at and around the Luscar Stereo mine at Coal Creek near the Lovett River, and
- (2) copies of any certificates of variance, water quality control orders and stop orders issued to the permit holder for the mine.

On April 8, 1986, the hon. Government House Leader accepted a written question inquiring when those returns would be presented to the Assembly, and what circumstances or conditions had precluded the presentation of those returns prior to the time of the acceptance of that written question. When will the returns ordered on April 17, 1984, be presented?

When will a response to the written question accepted on April 8, 1986, be presented?

MR. KOWALSKI: Mr. Speaker, the response to Question 133 was tabled earlier today.

134. Mr. Gibeault asked the government the following question: For the fiscal years 1982-83, 1983-84, 1984-85, and 1985-86, in each case:

- (1) what was the quantity, expressed in litres, of product originating in the Republic of South Africa purchased by the Alberta Liquor Control Board;
- (2) what was the cost, expressed in Canadian dollars, of product originating in the Republic of South Africa purchased by the Alberta Liquor Control Board;
- (3) what was the cost, expressed in litres, of product originating in Chile purchased by the Alberta Liquor Control Board; and
- (4) what was the cost, expressed in Canadian dollars, of product originating in Chile purchased by the Alberta Liquor Control Board?

135. Mr. Martin asked the government the following question: What is the government's best estimate of when it will be able to table a response, in each case, to:

- (1) Order for a Return 139, adopted May 14, 1985, for details of travel by Members of the Legislative Assembly, members of Executive Council, and others, for the period March 1, 1984, to March 31, 1985;
- (2) Order for a Return 141, adopted May 28, 1985, for results of monthly ambient water quality monitoring undertaken at 11 river sites in Alberta; and
- (3) Written Question 131, adopted April 8, 1986, seeking details of the contract under which Mr. Ron Ghitter acted for the government in the matter of the hotel project in Kananaskis Country?

head: MOTIONS OTHER THAN GOVERNMENT MOTIONS

201. Moved by Mr. Oldring:
Be it resolved that the Legislative Assembly urge the government to consider establishment of a consumers' advocate for the purpose of intervening at Public Utilities Board hearings and to provide expertise to affected consumer organizations.

MR. OLDRING: Mr. Speaker, it is my pleasure today to introduce Motion 201, the first motion on the Order Paper in the First Session of the 21st Legislature. This motion urges the government to consider the establishment of a consumers' advocate for the purpose of intervening at Public Utilities Board hearings and to provide expertise to affected consumer organizations.

The intent of this motion, Mr. Speaker, is to ensure that those Albertans affected by the decisions of the Public Utilities Board hearings will be able to receive a full and proper representation before this tribunal, regardless of their financial means. I'd like to start by giving a brief overview of the functions of the Public Utilities Board, and then I'd like to move on to discuss the current situation in Alberta.

The Public Utilities Board is an independent, quasi-judicial tribunal charged with the responsibility of regulating all telecommunications and all electric, water, and gas utilities, with three exceptions. The first exception is that of municipally-owned utilities. However, there are provisions there: upon the request of the municipality to have their utility come under the jurisdiction of the PUB, but only upon the request of the municipality. The second exception is that of rural electrification associations, and the third exception is that of gas co-operatives.

The principal responsibility of the Public Utilities Board is to ensure two things: firstly, that regulated utilities receive safe and adequate service and, secondly, that the safe and adequate service received is at rates which are fair and reasonable to all parties involved. The Public Utilities Board accomplishes this by holding public hearings involving applicants and intervenors. Rate hearings usually result from an application to the board by a utility company for a rate increase, so that a typical hearing would involve a utility company as an applicant, and the intervenors would be those individuals or municipalities or associations who come forward of their own initiative to challenge the application.

The real key to the whole process of public hearings working effectively, Mr. Speaker, is that there has to be intervention, there have to be intervenors coming forward to present opposing views. In support of this I would quote from a 1977 position paper which sets out the current PUB policies. The Public Utilities Board, and I quote:

not only welcomes interventions but considers that it requires interventions to discharge properly its duties as a quasi-judicial tribunal. The board is neither structured nor funded so that a total scrutiny of the applicant's case can be done by the board, its staff or consultants retained by the board.

There are two important points being made there. The first one, of course, is that the PUB has indicated that for the hearings to work effectively, there has to be intervention. Secondly, they very clearly point out that the board itself is not structured to allow for total scrutiny of the applicant's case.

Also out of that same paper I quote:

The paradox — an intervention is by its very nature a form of protest against increasing consumer prices. It would seem logical, therefore, that the present resistance, amounting almost to resentment on the part of consumers to the imposition of new and higher customer rates would lead to increased interventions at rate hearings. However, the contrary is true, and there is an apparent lessening of the number of meaningful interventions. The board is concerned about this phenomenon. This paradox is, of course, understandable

because as the costs of intervention increase, interventions will be less frequent.

Mr. Speaker, the frequency of interventions at Public Utilities Board hearings are fewer. I believe there are a number of factors that are contributing to this. One of the main reasons we are seeing fewer interventions at public hearings has to do with costs involved in making representation.

Allow me to use an example to make my point here. In 1978 the city of Calgary intervened in an application made by Canadian Western Natural Gas. To the city of Calgary at that time the total cost of that application was \$510.25. In 1986, eight years later, the city of Calgary again intervened in an application made by Canadian Western Natural Gas. This time the cost of that intervention rose to \$90,591.90. From \$500 to \$90,000: a considerable difference. Now I recognize that no two applications are the same, that there are a number of factors to be taken into consideration, that there are a number of differences, and that there are a number of variables. Nonetheless, I still believe that it is indicative of the costly trend upwards to attend and to be effective at these hearings. It's also indicative of the magnitude of effort and input required at these hearings.

I know it may be argued that there are provisions under the existing legislation for the recovery of costs; however, there are a number of problems with this as well. First, the Public Utilities Board does not make awards to costs until well after the hearings have been completed. Secondly, there is no early indication as to what costs the board will consider appropriate. The current policy states:

Costs will be awarded against an applicant and allowed to be recovered from customers through the rates only if the interventions have been effective in testing the applicant's case to the benefit of all customers and such costs have been reasonably and necessarily incurred.

Mr. Bill Neilson was the chairman of a panel at a seminar entitled Effective Participation in Alberta's Energy Planning, Decision Making, and Regulatory Processes. This particular seminar was held on October 16, 1978, in the city of St. Albert. Mr. Neilson stated at that time, and again I quote:

The policy of cost awards raised a number of questions with respect to the definition of the public interest and its relation to cost awards. For example, how does one define the public interest? How does one relate to a constituency that is ambiguous? How many "publics" make up the public interest?

Al Bryan, another panelist, stated:

Uncertainty of recovering costs of participation is a major reason more and more municipalities have been saying "no" to interventions.

I might add, Mr. Speaker, that two other associations have been affected. Both the Consumers' Association of Canada, the Alberta chapter, and the Alberta Urban Municipalities Association have stopped making interventions for that very reason.

I think it is abundantly clear that the uncertainty of recovering costs has precluded and discouraged interventions from a number of directions. The costs are high and so is the risk for recovery. Mr. Speaker, I believe that a consumers' advocate would help to remedy this situation.

Another problem that was pointed out, and I believe quite accurately so, at the seminar I alluded to earlier in my remarks is that a lack of lead time and continuity made it difficult to make adequate representation. Mr. Bill Hurlbunt, again a panelist, stated, "Most interventions start off in an atmosphere of rush with inadequate knowledge." Another

panelist, the late Ralph DeWolf, the then mayor of the town of Bashaw and at that time president of the Alberta Urban Municipalities Association stated:

Municipalities experience difficulties intervening. They don't have the time to organize their case, find lawyers, get interim financing, etc.

Once again, Mr. Speaker, a consumers' advocate would always be prepared and know just what has to be done to ensure effective representation. He or she would be able to offer that continuity and readiness required for effective representation.

A number of other reasons that arose as a result of this particular seminar in support of establishing a consumers' advocate included the concern over the amount of work involved in preparing for the interventions themselves and the complex and technical nature of the issues being discussed. Mr. Bill Seater, who represented the Rural Electric Council, expressed the sentiment of a lot of Albertans, I think, when he stated, "The costs and time involved in intervening scares me."

It was interesting to note that a number of the members of that panel expressed the opinion that the role of the Public Utilities Board was to protect their interest. There was no need for them to come forward. Al Romanchuk, the then mayor of the city of Grande Prairie stated, and again I quote:

The Grande Prairie council tends to view the Public Utilities Board as a consumer watchdog, and looks to the Public Utilities Board to guard the consumer interest.

Mr. Speaker, this just plain and simply is not so. By their own admission, the Public Utilities Board's own policy states very clearly that they are neither structured nor funded to allow for a total scrutiny of the applications being made in front of them. It was also interesting for me to note that a number of the panelists concluded that a consumers' advocate would go a long way towards improving the current situation.

Mr. Speaker, ultimately, what we are trying to do through a consumers' advocate is to help balance the scales between, on one hand, the utility companies that are well equipped to present their point of view and to give their perspective and, on the other hand, individual Albertans that are having to deal on a day-to-day basis with the consequences of these very important hearings, individual Albertans that often lack the financial means and the technical expertise to fully protect their interests and their rights.

Mr. Speaker, I think a number of Albertans are growing more and more frustrated and angered, in some instances, with the current situation. I know that in my constituency the constituents have certainly expressed their frustrations to me throughout the election process, and certainly Mr. Jim McPherson, the former representative for Red Deer in this Legislature, can attest to that fact. Mr. McPherson had received over 300 letters from constituents that are frustrated and concerned, and yet they don't know where to turn; they don't know what directions to take. All they know is that their utility rates are skyrocketing and their income is dropping, and they don't why the two don't jive. It's not good enough just to tell them that they can appear in front of the PUB. It's not good enough to tell them to show up and present their case there. Public utility board hearings are not an appropriate form for individual Albertans. Public utility board hearings are for lawyers, accountants, technical experts, and professional witnesses.

Mr. Speaker, allow me to share with you some of the responses that my constituents have received from the Public

Utilities Board. I do so not to slight or undermine or criticize the Public Utilities Board but only to point out the inadequacies of the process. I have a letter here in response to one of the citizens in my constituency. It's a response from the Public Utilities Board office, or on behalf of the Public Utilities Board, and I'll just quote. They point out to this particular person that lengthy public hearings were held in the city of Calgary during the period September 3 to September 13, 1985. They go on to say that in excess of 1,300 pages of transcript recorded these proceedings and 76 exhibits were submitted as evidence, and that the board had recently released its 240-page decision, number E85129, dated November 25, 1985. A 1,300 page transcript, 76 exhibits, a 240-page decision: what does this mean to average Albertans?

Again, a response from the Public Utilities Board to another constituent expressing those same concerns and sentiments. They point out again the 240-page decision, the 1,300 pages of transcript, and the 76 exhibits, but they add a little more confusion into this one. They point out that the board does not set the rates to be charged by the city of Red Deer electric system, that the city of Red Deer does. Again that's partially accurate, but there's no question that the decisions of this board affect very directly the cost of power to the citizens of Red Deer. So I think what they've done here is they've thrown out a bit of a red herring, and again they've confused that constituent even more. "Now who do I turn to? The PUB? The city of Red Deer? My MLA? Where do I turn?"

Lastly, and this one is kind of interesting, this is again a letter from my constituent, who felt that this was a pressing enough issue and concerned him enough that it was appropriate to write to the Premier of our province. This particular individual was a former alderman for the city of Red Deer as well. He concludes his letter by stating:

I probably should have taken this issue to the Public Utilities Board; however, it is impossible to approach a board that has permitted this type of gouging to take place in the first instance.

I don't necessarily agree with that individual's conclusion, but I think what it really does is express his exasperation. It expresses his frustrations at not being able to somehow find out why his utilities are going up as frequently and as often as they are.

An interesting process, Mr. Speaker, but I ask how ordinary citizens, everyday Albertans in this province, can feel that their interests are being represented. How can they relate to 1,300 pages of transcripts? How can they relate to 76 exhibits? How can they relate to a 240-page decision that's suppose to tell them why their utility rates are going up? How can they be assured that their people concerns are being heard? It's a judicial process that we have here; it's not a people process. It's intimidating, and it is beyond the reach of most Albertans. And it just seems to roll right over us.

Mr. Speaker, I think it's essential that we establish a consumers' advocate to ensure that the citizens of this province can feel that they have a meaningful opportunity for input to the Public Utilities Board hearings and can feel that their concerns are truly going to be expressed.

Mr. Speaker, as this is the first motion of this session, and as I have had the privilege to be the first speaker in this debate, I look forward to the debate that follows on what I consider to be a most important issue.

Thank you.

MR. PIQUETTE: Mr. Speaker, I'd like to speak in favour of Motion 201. I think it's a long time since I've heard this type of a motion, which is really responding to a lot of the questions that I was asked, as well, during the election campaign. For example, in my constituency we are working in terms of economic development. One of the problems we have is that the small power producers in Alberta have difficulties in terms of accessing the Public Utilities Board in order to have their fair share in the market of Alberta Power and TransAlta.

One of the things we also find is that here in Alberta, we have some of the highest utility rates in Canada. I believe we're the only province west of Prince Edward Island that doesn't own its own hydroelectric power or natural gas distribution, et cetera. Without the proper functioning of the Public Utilities Board, we have a monopoly situation in terms of private companies being able to charge basically what they feel they want to charge a consumer or the public in relation to what return of investment they want to have. For example, I was just reading the financial reports of TransAlta and Canadian Utilities, and it appears that they have a guarantee of 15% profit based on investment. As a farmer I have never seen where I have the power, for example, to ask the marketing board, the meat packers' plant, Gainers, or whatever else, to have a cost-of-production type of formula where I can get a 15% profit on everything I sell to the consumer regardless of how stupid or silly I may be in terms of the kind of machinery that I may want to buy during the course of the year.

With our Public Utilities Board, TransAlta or any of those companies may decide to make an investment that may be totally irrelevant to the economic situation of Alberta. We've seen a lot of power plants, for example, being built. Then they have the right to turn to the public and ask that these costs be recovered through higher rates for our farmers, our small business, and our consumers.

I think that Motion 201 speaks very loudly of the need to make sure that we have a consumer advocacy within the Public Utilities Board. I would go even further, in terms of saying that we need to rewrite the whole Act to begin with, because I do not think that by simply putting in the Act the part of having a consumer advocate being able to pay some of the costs of attending some of these hearings, we will be really addressing the whole issue here in Alberta.

I really have to go, in terms of another commitment. I would like to urge this Assembly to look at the whole aspect of the Public Utilities Board but also to take into consideration the motion that was presented to us today.

Thank you very much.

MR. CHUMIR: Mr. Speaker, I have a few comments on this motion, the brevity of which hardly merit the description "speech." However, I would like to speak, and in the same direction, I'm sure. I would like to support the spirit of this motion and congratulate the hon. member on the enlightenment of it. In fact, it's sufficiently enlightening that I'm surprised to see it coming from that side of the floor. It would have been more appropriate to come from these very benches here.

The point that the hon. member has made, and rightly so, is that very major decisions involving extremely large sums of money are made by the Public Utilities Board and other public bodies in this province, and these boards operate on the basis of the adversarial process. It's like the courts: they're generally only as good as the input made and the arguments made before them. It is very difficult for members

of the public to be able to input into these boards because of the time and expense involved in doing so. We as a public all have an interest in having the best decisions emanate from these boards, and those best decisions will only come when there is some representative of the public interest there. That public interest and that potential of having such interest through a consumer advocate has been recognized in other jurisdictions, particularly in the United States.

In summation, I would support the motion and suggest that we would do very well to consider having a public advocate in this province acting either on his own or alone in terms of his office or, alternatively, assisting informed and enlightened groups not only before the Public Utilities Board but in other areas in which we have a collective interest in an effective decision-making process.

In closing, I have one final quibble with the terms of the motion. It concludes that we provide expertise to affected consumer organizations. In fact, I'm sure that the hon. member in his comments made it quite clear that it's really not the consumer organizations that are affected, it's the public interest of all of us that's an issue. It's the consumer organizations that have mobilized to represent that interest.

Thank you.

MR. HYLAND: Mr. Speaker, as I rise to participate in Motion 201, I'd like to express views that I've received from constituents over a number of years and also views expressed to me by a group that was recently formed called the Energy Users Association of Alberta, which started in my constituency. Its president is a gentleman by the name of Peter Eichelbaum, who has put in a considerable amount of time, especially working on rate increases relating to natural gas.

Mr. Speaker, I would like to express my support for this motion for the need for an advocate. Along with that, though, concern has been expressed by other members that an advocate, if he or she or that person or that position is in place and dealing with the same people as the Public Utilities Board, could become like we see the Public Utilities Board has become. Dealing totally with the same people over a period of years, it has become something like an old boys' club, or whatever you want to call it. It wouldn't project the need that is there for somebody to provide some sort of expertise to people appearing before this board.

Mr. Speaker, I suppose it's the only way that it can work, but it's ironic that those who are affected by the rate increases and those who would appear before the board if they could afford to do so are really battling against their own money. It's ultimately them who has to pay, whether the utility is putting forward for a rate increase or a consumer group or organization such as the energy users are appearing before the committee and hoping to receive coverage for their costs. Ultimately, the consumer pays for the whole thing, whether it's in the form of covering their cost for intervention or covering those costs paid by the utility company for their rate increase hearing.

Mr. Speaker, the Member for Red Deer South outlined the greatly increased cost since 1978 for appearing before the Public Utilities Board. The total of a decision was \$614.25. When the same company appeared before the board in 1986, the total for the intervenors was some \$292,710.03. I don't know mathematically what that increase is, but it is substantial, and you can see why certain groups have decided not to appear because of the costs involved.

My understanding of the court system — I would have to listen to my hon. colleague who spoke before, being as his background is law — is that I thought one could appear before the court system and defend oneself in an action and be considered as a person in stature in that room, whereas the feeling that I get from people that intervene in the Public Utilities Board, even though it is not a court, is that they get the feeling of uneasiness and the feeling that they should be an expert at appearing. That may be just their feeling and may not be the intent of the board and/or the people involved in that board. Nevertheless, that is the feeling they've told me they feel when they're appearing before there. They ask a question. They say, "Why are you an expert, to ask this question? What's your background?" All they're doing is asking the question for information, and appearing before the board, they get an uneasy feeling about how they're considered and at what stature they're considered.

Mr. Speaker, another concern that has been expressed by various members is the percentage of return on investment that a utility company is able to have. Some say it's 15 percent; some say it's higher. The concern is with not only the return on investment but how that investment is arrived at and how the figures of the cost of operation are arrived at.

When one appears before that committee — if you write to the Public Utilities Board and say you want to appear before it, you get massive reams of paper to go through and understand, and you're supposed to argue the hearing on just those pieces of paper in front of you. If you're not a lawyer or a chartered accountant or some person who specialized in that, they find it difficult to tear that apart, and it then becomes something that it probably wasn't intended to become to start with. The Public Utilities Board may lose its stature of protecting the consumers of the province.

The concern that was expressed to me by people appearing before it, Mr. Speaker, going along with these comments, was that they look at the cost of a company doing something and they can't compare it to another company in the same field. You are virtually working on a cost-plus situation, and you start to lose a control when you can't compare one against the other. Again, if my understanding of our court system is true, to me that would seem like you're only able to argue your defence on the information presented by the Crown Prosecutor and not on the information that you would present yourself. You'd be at a very great disadvantage in trying to prove your innocence or, in this situation, trying to prove the case that you think that the company may be padding the operation too much to show that they need an increase in the income to their company unless an increase to the consumer for the use of that utility.

Mr. Speaker, just to outline how complicated appearing before the committee can be and then, as a result, just a small irregularity, following the committee, as I said earlier, Mr. Eichelbaum from my constituency appeared before the Public Utilities Board committee as president of the Energy Users Association. He has been working with one particular company through the Public Utilities Board in a small problem of incorrect billing, an overdue billing in bills and estimates received by farmers. Mr. Speaker, I've probably got 50 pages of letters going back and forth just to deal with that problem, and it still isn't solved. So instead of a simple matter of having a customer come to a small businessman and saying that there's a problem here and the

small businessman saying, "Okay, let's fix it," and they fix it and it's done, this thing has been going on for a year. All these letters have passed forward and it still isn't solved.

Perhaps we need to do something with the operation so the two parties can get together and solve these kinds of problems, whether it's rate increases or the need for rate increases or just the problem that I outlined, so that it doesn't go on forever and ever. The user writes to the PUB to say, "Would you please look at this?" The Public Utilities Board writes to the company and says, "Why does this happen?" The company writes back and says, "This happens because." The Public Utilities Board writes back and says to the person who wrote the original letter, "This happens because, and this is what the utility company has told us." So the guy has to write back, and it goes through three hands before it gets sorted out, and it still isn't sorted out. If an advocate would assist that, that would be great, but I think it's a little deeper than that, and perhaps it's a total review that we need. What is happening may well be.

I've known some of the members that formed part of that board, and their drive would be to protect the public. But without intervention, as others have said, and without somebody else questioning the validity of the information supplied to them, they're not able to do that to the greatest extent. Perhaps the quasi-judicial board has been there for a number of years. I don't think anything in this society is so good that it can't be reviewed and made better. Or maybe we'll find out in the review that it's the best thing there. But I don't think that there is anything so good that a review of it couldn't be taken and action taken from that.

Mr. Speaker, I think that about covers my comments on that. I would like to support such an advocacy as a first step, but maybe as a further step, I would also like us to consider a review of the setup so that the costs could be brought more into line with what they were a number of years ago. The average person appearing before that tribunal would feel more at ease, and the tribunal would be much happier in having these people appear before them.

MR. McEACHERN: Mr. Speaker, I rise to support the motion from the Member for Red Deer South. He has shown the need and, in fact, I was impressed by his arguments. I hope that the government moves on this.

The private gas companies of this province have for too long been guaranteed a 15 percent profit on their investment, and often they make more. Sometimes it gets so high they are asked to rebate some of it to their customers. Instead of bringing in 9 percent loans to farmers, maybe the government should have just guaranteed farmers 9 percent of their investments like they do to the gas companies of Alberta.

I would like to say to the members of this gallery through you, Mr. Speaker, that it is not right that an industry have a natural monopoly, and gas companies have a natural monopoly. You cannot run two gas lines down one street and give people a choice as to which gas line they would like to hook up to, so it's a natural monopoly; the same with electricity. You cannot set up a competitive situation; it would be totally artificial and much too costly. When you have a natural monopoly and the service provided is essential, it seems to me to make sense that the government, rather than allowing private enterprise to be guaranteed a rate of return, actually take over and run those facilities as a public utility.

Mr. Speaker, many years ago — I think it was 1948 — there was a plebiscite held on whether or not Alberta should have power as a public utility. Calgary Power promised during the course of that debate and as the plebiscite was taking place that they would provide power at cost. With that expression they were able to win by just a very, very narrow margin the right to continue to operate as a private company. They later explained to everybody that the words "at cost" meant also including cost of capital: in other words, a guaranteed return. So we have not had public utilities for power in this country.

Mr. Speaker, this Bill will help the present situation, so I hope the government will take it up and do something with it. But I think they should look at the longer term and should think very seriously about — we have Alberta Government Telephones, and I think nobody suggests we should sell it or break it up into small parts. Nobody suggests we should turn it over to Ma Bell. We have a much better service, a cheaper service. I think the same kind of thing should apply to all kinds of utilities. We do it for water, sewers, and telephones. Why shouldn't we do it for natural gas and for electricity? Public ownership would do away with the Public Utilities Board, and then we wouldn't have to have this fiasco that we go through now and the problems that the Member for Red Deer South put forward.

The cost of utilities would be a matter of public policy. You could run them with a bit of a profit if you wanted so that you could add to your revenues, or if sometimes there was a bit of a shortfall, you could just make it up or regain it by raising the rates the next time around. It would be a matter of a democratic political process as to how the rates were set and how it was handled.

In the meantime, I'm not going to hold my breath and expect the government to jump into taking over the power and natural gas services to the homes in this province. I think I might die of shortage of oxygen if I did. I will support the Bill, and I congratulate the Member for Red Deer South on a very well-thought-out presentation. My congratulations to you.

MR. SPEAKER: The Chair recognizes the nervousness which speaking in the Assembly may bring, but we have been discussing a motion rather than a Bill.

MR. MUSGROVE: Mr. Speaker, it is a pleasure to speak to Motion 201. I certainly support that

the Assembly urge the government to consider establishment of a consumers' advocate for the purpose of intervening at Public Utilities Board hearings and to provide some expertise ...

The purpose of the motion, Mr. Speaker, is to balance the scales between utility companies, which have at their disposal sufficient resources to present their point of view, and the consumers, who may be affected by the decision but often lack the financial means and technical expertise to exercise their rights to intervene in Public Utilities Board hearings. There are two sides in a rate hearing case before the Public Utilities Board; the parties are usually the applicant and the intervenor. The intervenors are those persons who have come forward on their own initiative or in response to notices published to attend and take part in the proceedings. They intervene in the sense that they come forward to be heard by the board before the board makes its decision. According to a 1977 position paper on intervenors and the costs, Mr. Speaker, the board said they not only welcomed

intervention but considered that it's required in order that they may be able to discharge their responsibilities properly and make a proper decision.

In the late 1970s I was a director of the Alberta Association of Municipal Districts and Counties. We were approached by numerous municipalities to intervene on their behalf on a utility rate increase. We asked our legal counsel to give us an estimate of the costs and the implications that we would be involved in in this intervention. We were advised that in cases where an organization, such as the Alberta Association of MDs and Counties, was intervening on behalf of a group of municipalities, the costs would be astronomical, because the utility company was prepared to go to the best legal counsel and accounting experts in North America. After we had researched the costs, it was decided that this might not be the best use of municipal money, knowing that whatever the result of the hearing was, there would be small chance of the Alberta Association of MDs and Counties recovering their costs. But we were aware at that time that all the defence costs of the utility companies would be put on the consumer price afterward.

I notice that in 1986 the Alberta Association of MDs and Counties did intervene in a rate hearing at a cost of some \$40,000. I would like to point out, Mr. Speaker, that if you do successfully intervene in a rate hearing, the benefits from that success are of benefit to every consumer in the province of Alberta.

Section 60 of the Public Utilities Board Act gives the board the authority to award costs to intervenors and to permit the recovery of such costs in the rates charged to the customers of the utility company. Cost awards are made after the results of the hearings. It's then a bit of a risk. If you go into an intervention expecting to recover your costs and you're not successful in showing some reason why you're intervening, you will probably not recover them. Costs will be awarded against an applicant and allowed to be recovered through the rates only if the intervention has been effective in testing the applicant's case to the benefit of all customers and such costs have been reasonably and necessarily incurred.

To be of assistance to the board, an intervenor must be prepared to conduct a knowledgeable examination of the utility's evidence and to suggest areas where short- or long-term savings may be implemented. This might require the preparation and presentation of evidence and the services of legal counsel and/or other consultants to assist in effective preparation. While the board may order the utility company to pay the intervenors' reasonable costs, there is no guarantee that these costs will be awarded.

The cost of launching a successful intervention is astronomical. There are few groups with sufficient resources at their disposal to intervene, especially since there is no guarantee that they'll be able to recover them. Again, it's quite a risk when a person goes into an intervention knowing that the utility company can use the best legal and accounting expertise in North America, and their costs will be recovered through customer rates.

The concept of a consumers' advocate is to ensure more effective participation in Public Utilities Board hearings, and this was an issue in the 1970s. On November 13, 1983, a former colleague of ours introduced Bill 212, the utilities customers' advocate Act, and it was debated in the Legislature at that time.

For the Public Utilities Board to operate effectively, it needs participation in the hearings. However, consumer groups do not have the resources at their disposal to intervene

unless they can be assured that the costs will be refunded. The Alberta Urban Municipalities Association at one time took an active part in such interventions. As was mentioned before, while at the present time they encourage municipalities to intervene, they themselves have not launched an intervention in the past three years due to the costs that they feel will not be awarded to them.

Motion 201 will alleviate this situation insofar as it will provide for a consumers' advocate who would intervene at the hearings on behalf of the customers. The creation of a customers' advocate would ensure that no group with a reasonable case would be denied proper representation. In addition, it would give the public confidence that their interests are being protected. With a consumers' advocate, you would be able to screen and avoid duplication of interventions in the hearings. Any group of people with the same case could join forces and jointly bring their intervention to the hearing. I believe a consumers' advocate could co-ordinate that for them.

Mr. Speaker, I believe that the Legislature should support this motion. I certainly feel it has been well presented.

Thank you.

MR. DAY: Mr. Speaker, in rising to give support to this motion, I notice that it has received support already from both sides of the House. I think that is good, and it shows what a widespread concern this is. A number of the members have commented at some length on documentation and statistics. I believe that the Member for Red Deer South has fairly documented and, I might say, effectively articulated the problems and concerns leading to this issue and this motion.

Since we've already had some copious statistics and documentation, I'd like to touch on the human element involved as a person or a group considers making an appeal, to consider the human element involved as they're faced with some of the obstacles. In doing that, I believe we will see the need for a consumer advocate.

I'd like to direct my comments to three areas: one being my own personal experience in this avenue; number two, contact with my constituents; and number three, what I found in doing a study on this particular issue. Mr. Speaker, some 10 years ago, in sizing up my utilities bill, I realized that at times rates were being raised, and there were notes mentioned about equalization. There were things in there that I did not understand. I noticed on the back of my utility bill an innocuous little entry, a phone number with a word beside it saying "inquiries." So I took up the challenge. I phoned and began to share some of my frustrations and concerns at not being able to understand the way in which the whole operation, as applied to my utilities, was working.

I realized after not too long a period of time that the person on the other end of the phone was probably as ill informed as I on the particular methods of appeal and in terms of giving me answers. That's not to discredit them; I'm sure they were operating with all the information at their disposal. But it gave me some incentive. I realized that if I was going to do a study and try and find an effective way of making an appeal or an intervention in the utilities process, I was going to have to be prepared myself. So I went home and tackled what I felt was the first step, and that was trying to determine how to read my own meter that was stuck to the back of my house. Mr. Speaker, that is not as easy as it sounds, since some of those little dials go backward, some go forward, and

some don't appear to move at all. But after a few days I succeeded in being able to master how to read my own meter. I was then able to determine how to calculate and determine how many cubic feet of gas were being used and therefore determine if in fact my utilities bill was correct.

Mr. Speaker, I was making great headway in my investigation when the federal Liberals unleashed something upon us called metrication. Imagine my dismay and chagrin when sitting down to calculate and compute my bill to further my ongoing investigation, I now encountered new terms of measurement and economies of scale. There was a word there which I had never seen before, and again I turned to the innocuous entry on the reverse side of my bill, which said there was a place I could phone to inquire.

I made the necessary phone call, and never having seen this particular word before, I asked the receptionist if she knew what gigajoules were. I was pronouncing it wrongly, not having ever encountered it before. She didn't know if she had a crank call on her hands or what exactly was coming her way. We decided after some period of time that gigajoules were probably something that movie stars wore around their necks. For me it spelled the end of what could have been a worthwhile venture, Mr. Speaker. I was frustrated, I was angry, and I felt I had no one to turn to. Nobody could give me the answers I needed. That was my personal experience in trying to confront the problem of utilities rates and other questions that arise from them.

Second came my contact with my own constituents. Door to door or via letter or phone call, I have received many concerns in this area. People ask me to explain: "Why does this happen? Why this raise? What does equalization mean? What are these different numbers? What do they all have to do with?" Many told me that they called an innocuous little number on the back of their bill and only received more frustration. All I could do, Mr. Speaker, was shrug my shoulders. Even city councillors were somewhat in awe and dismay of how to approach the whole process of intervening in the utilities fray.

Thirdly, my experience has come in the area of studying the issue. I put myself in the place of somebody preparing to go before the Public Utilities Board. If any of you would care to accompany me on this imaginary tour, first, the person would receive 67 pages, which I have here, of information, statistics, data, and directives. Mr. Speaker, these directives and information are well intended and highly informative, but I'm sure we can imagine the effect on any erstwhile individual having hopes of intervening in this process. Next they would receive, as I have also received, approximately 25 more pages explaining the board's position paper on interventions and costs. Again, highly informative and well documented but surely a deterrent for somebody investigating the process, as they're overwhelmed with information.

If that person still had enough intent to press on and study these documents, they would find some interesting directives which actually would translate to be obstacles to them. Allow me to outline just a few of those directives, Mr. Speaker. They would find that every intervenor possesses all the rights and privileges which are afforded in any legal action. They would find that they may cross-examine the applicant's witnesses, call evidence on their own, receive and examine documents filed, and submit arguments. To the average individual, or even the average city or town council, this is overwhelming legal procedure.

They would also find that the cost which intervenors incur in challenging an applicant's case are extensive. They include

fees and expenses of counsel, fees and expenses of expert witnesses, costs of transcripts, and expenses of individual intervenors in attending the hearing. It would also be explained to them in this documentation, Mr. Speaker, that they may require the preparation and presentation of evidence and the services of legal counsel and/or other consultants to assist in effective preparation. Most individuals, and even most groups, town and city councillors, can ill afford the costs involved which would tend to be astronomical and have been well itemized and documented by the Member for Red Deer South.

They would find and come across interesting statements and challenges. They would find that in order to organize the hearing procedures so that there was no wasted time when the hearing commences, many times a prehearing conference is held. They would read how technical staff is assigned to the division, and the function of that support staff is to assist the division in the detailed analysis of the financial and statistical data which has been filed in support. That only increases in their minds the David and Goliath battle they are being pitted in.

They would find that a public hearing before the Public Utilities Board is in the nature of a civil action before the courts. Mr. Speaker, for most of us that's fairly intimidating language, though I recognize the Public Utilities Board does not intend it to be. It's only given to inform. It's fairly awesome and intimidating. They would find that witnesses are sworn, and the order of examination is determined by the interest and the witnesses called to support it. Then they would find that the applicant utility company — and this is an interesting point — may indeed have to pay the intervenor's reasonable costs. There's no guarantee of that, but they may have to pay those costs which have been incurred in the making of the intervenor's presentation. The board then permits the utility company to recover such costs from the rates imposed. It all adds up to a fairly immense and overwhelming obstacle.

By their statements in their own literature, the Public Utilities Board says that they not only welcome interventions but consider that they require interventions to discharge properly their duties. What they're saying, Mr. Speaker, is that for the Public Utilities Board to operate effectively, it needs public participation. However, most of the time consumer groups and individuals do not have the resources at their disposal to intervene. Therefore, if the Public Utilities Board needs this process to effectively discharge its duties but groups and individuals are effectively unable to intervene. I suggest that the Public Utilities Board may be in danger of not properly discharging its duties, at no intention of its own, just being as a matter of course.

Some concern has been suggested in the past that to have a consumer advocate would increase the amount of activity and input we would get from our citizens in this area. Mr. Speaker, I don't think we should ever be concerned about increased activity and awareness of our citizens in any process, be it judicial or political. I would see that as an encouraging sign. As it now stands, because of the deterrents there is little or no representation before this board. It comes dangerously close to the concept of taxation without representation. I believe that with a consumer advocate there would be an initial flurry of activity in this area, which could quickly be sorted out as cases that come before the board would have parallels to others applying.

Mr. Speaker, I heartily support, recommend, and stand behind the motion brought forward by the Member for Red Deer South that we have a consumers' advocate to lend a

helping hand to the individuals and groups in our province who want to intervene in this process.

MR. CHERRY: Mr. Speaker, I would like to commend my fellow colleague for Red Deer South on his fine presentation. As I was reviewing this motion, Mr. Speaker, I was immediately struck by the definition of the Public Utilities Board's purpose:

The Board's primary purpose is to ensure that the customers of regulated utilities receive safe and adequate service at rates which are just and reasonable to both customers of and investors in those utilities.

Furthermore, the board itself stated that to operate effectively, it needs public participation. So what happens to the board's effectiveness if the public can't afford to participate, if the public cannot afford the legal counsel or highly technical expertise necessary for a useful intervention? It concerns me, Mr. Speaker, that while utility rates have gone up, the number of interventions has not, something that can be, I think, directly related to the cost of such interventions. With no public participation in Public Utilities Board hearings, a void is created which leaves the interests of the public unprotected and public confidence in such boards shattered. A consumers' advocate can step in and breach that void. With a consumers' advocate, citizens and consumer groups would have a guarantee that their concerns would be heard.

The present systems allows that costs can be awarded after the hearings. After is far too late for a cash-strapped farmer or a nonprofit organization with limited funds or even an association which must spread its budget over a number of projects. If the individual or organization has no guarantee that their exceptional costs are likely to be recouped, there is an obvious reluctance to initiate such action. Price tags in the tens or hundreds of thousands of dollars deter precisely what the board deems necessary to discharge its duties properly: public participation.

I know that there is concern that the establishment of a consumers' advocate would lead to masses of people and groups rushing to the Public Utilities Board to launch interventions. In all likelihood more people would be interested in such matters. I would offer this qualifier to my general support of this motion: that a set of general criteria or a screening process be established to determine the validity of any potential interventions by the consumers' advocate. I also maintain that it's better that the hordes come than that the public lose confidence in and respect for institutions that were designed to protect them. Therefore, Mr. Speaker, I support the principle of this motion.

Thank you.

MR. FOX: Mr. Speaker, I too rise to express my support for this motion and also appreciate the research that was put into this matter by Member for Red Deer South. It's an area of obvious concern for people all across the province of Alberta, as indicated by the areas represented by the members who have spoken in favour of the motion.

I think any of us who have participated in hearings before various boards, the Public Utilities Board being one of them, knows just what an intimidating experience it can be, as well as what a great expense it can be to the individuals who are forced to seek redress through these boards. An advocate would certainly go a long way toward making that an easier and less intimidating experience.

I think we might give consideration to the suggestion of the Member for Cypress-Redcliff that an entire review be

made of the process through which power and other utility services are delivered to people in Alberta, because there is a great deal of suspicion on the part of our citizens, residents in the province, that there's a considerable amount of hanky-panky and unfair practice that goes on behind the scenes. It's not just with the Public Utilities Board but with other boards like the Surface Rights Board and the Energy Resources Conservation Board. I think we might do well to consider an advocate or ombudsman for people who are intervening or making applications before these other boards as well.

The very exorbitant rate of return that is guaranteed our power companies has been referred to by other members. I believe it's 17.5 percent guaranteed over and above their operating costs on the investment that they determine they've made in their utility. I think it's quite literally an opportunity to print money. It's a ludicrous rate of return, and it's obviously of concern to people on both sides of this House and deserves close scrutiny.

I might suggest, Mr. Speaker, that as a way of funding the office of the ombudsman, if that is indeed what we want to do, we might look at lowering the 17.5 percent rate of return guaranteed these power companies by 1 or 2 percent to provide the funds needed to operate such an office. But I think the long-term solution to the problem was suggested by my hon. colleague from Edmonton Kingsway; we need to catch up with the rest of the country and start looking at public delivery of electrical power and natural gas in the province of Alberta to ensure not only that our people get the service at a reasonable cost but that we have a greater degree of control over it.

Mr. Speaker, I hope to establish your confidence again in the word "brief by sitting down now and expressing again my support for this motion.

DR. CASSIN: Mr. Speaker, I'd also like to take this opportunity to speak in favour of the motion presented so eloquently by our Member for Red Deer South in the recommendation that we appoint a consumers' advocate in dealing with the Public Utilities Board. We've had a great deal of discussion this afternoon, and a number of issues have been raised on both sides of the House. We have discussed the difficulties and the concerns of the small municipalities and the small user, the individual or resident in our constituencies.

We also must recognize the other role that the consumers' advocate would play in being a neutral body. It's not necessary that all the concerns and worries of our constituency are involved in a judicial process that is going to cost this province or various groups a good deal of money. Sometimes it's reassuring just to know that there's someone out there who doesn't necessarily have a vested interest in the utilities board or some other board and represents those individuals, has the knowledge and the background to advise them and to guide them.

I think the conclusions that have been made by a number of the speakers boil down to two points: number one, the financial consideration and, number two, the technical expertise that many of us lack in dealing with large corporations that have a large bank account and the resources, their own research people, to protect and support their arguments.

It gives me great pleasure at this time to support the motion that has been brought forth today by our Member for Red Deer South.

MR. JONSON: Mr. Speaker, I wish to take this opportunity to speak to Motion 201. As I understand the purpose of

the motion, it is designed to balance the scales, so to speak, between utility companies and intervenors at public utility hearings, intervenors who are sometimes, through no fault of their own, short on legal counsel and possibly expertise. I'm sure the motion is designed to generally improve the process of arriving at reasonable utility rates in the province of Alberta.

However, Mr. Speaker, we can examine this issue from the point of view of individuals and consumers, but we also might look at it from the point of view of the evolution, the operation, of the Public Utilities Board. To make this clear at the very beginning, I might say that being from a rural constituency, I've had brought to me the concerns and complaints that other hon. members have referred to in their remarks this afternoon. But sometimes when we're looking at an issue such as this, we might zero in on what seems to be a very tidy solution and ignore two or three or four other matters that might be causing the problems that have been referred to.

Mr. Speaker, I think we should examine the nature, the purpose of the Public Utilities Board and, most importantly, some of the developments which have occurred for the board over the last few years. I note that the Public Utilities Board is responsible for telecommunications, electrical rates, water rates, and gas utilities. This whole area of responsibility is expanding rapidly and becoming more complex. The area of telecommunications by itself might be one section in which a group of experts could be kept very busy judging the reasonableness of certain applications and rates. Certainly the way things are going, there's a great workload being required of the board and perhaps an ever-widening area of expertise being required that no one person or small group of people can fulfill.

Mr. Speaker, it was about three years ago that I was surprised to find when I was inquiring that the Public Utilities Board was responsible for setting the price of milk. I had to wonder for a moment, as good as the people on the Public Utilities Board might be, if this was an area in which they were really that expert and in which we might be best served by the matter being dealt with there. I would suggest that an additional measure to this motion would be to consider whether the workload of the Public Utilities Board is realistic. Perhaps there should be some division of responsibility with separate boards involved. More attention could be given to specific areas of the board's responsibility.

Mr. Speaker, there is another aspect of board operations and its relationship to consumer concerns that I'd like to briefly comment upon. A judicial or quasi-judicial body is usually in a situation where the faces of those making presentations on both sides of an issue change with regularity. In the situation in which the Public Utilities Board operates, one side of Public Utilities Board hearings always has the same familiar presence. The representatives of the utility companies have experience and expertise and do a very good job. Let's not knock them for doing what they do very well. Representatives of consumer groups develop the impression, rightly or wrongly, that Public Utilities Board members and utility company intervenors are a close-knit group. Hence, there is the impression from consumers that their representations are really not being heard that well.

Mr. Speaker, perhaps it is a simplistic addition to this motion, but I would suggest the members of the Public Utilities Board conduct an in-service session — that's a good old teacher term — or retreat and sit down in an informal situation and listen to some of the concerns and

feelings that people who've been through their hearings feel and might pass on to them afterwards. I think that might be a very sobering experience and one that in the final analysis Public Utilities Board members would very much appreciate. I hope this debate this afternoon will help raise awareness and understanding of the problem of alienation which seems to be in the minds of many people.

Mr. Speaker, I don't feel that we should leave this debate without also recognizing that all of the problem is not centred with the Public Utilities Board. I think there is a responsibility on the part of government and on the part of the utilities companies to explain and to justify their policies and the prices that they set for the consumers of the province. I'm quite confident that we benefit from the efficiency of privately owned companies offering these services. But we need to be assured that those operating the companies remember that the policies, techniques, and approaches of typical private enterprise should still be followed in the case of operating utility companies and providing adequate efficiency.

I also think that from time to time the investment return situation for the power companies should be reviewed. Certainly the investors themselves should be rewarded for the investment they make, the money they put forward. But does this investment return have to be that which is usually associated with much higher risk investments?

Mr. Speaker, I support the motion, but I did think, and therefore rose to speak, that it was important to cause the Assembly to sit back and look at some of the other issues that are involved in making the whole process more effective.

Mr. Speaker, at this point I would beg leave to adjourn debate.

MR. SPEAKER: Are the members in favour of the motion to adjourn debate?

HON. MEMBERS: Agreed.

MR. SPEAKER: Opposed?

Carried.

CLERK: Motion 202, Mr. Stewart.

MR. NELSON: Mr. Speaker, as my colleague from Calgary North Hill is not present today due to other circumstances, I'd like to ask on his behalf for the unanimous consent of the Assembly to have Motion 202 retain its position on the Order Paper.

[Motion carried]

203. Moved by Mrs. Koper:

Be it resolved that the government investigate ways to encourage private businesses, in conjunction with their employees, to establish employer-supported child care centres.

MRS. KOPER: Mr. Speaker, I bring this motion forward for the consideration of the House for three very special reasons, two of which are very closely related to my career. In urging the Assembly to "investigate ways to encourage private businesses, in conjunction with employees, to establish employer-supported child care centres," I have in mind some of the difficulties I encountered many years ago in trying to find some way to look after my child and my family when my career was interrupted by my having the delightful experience of becoming a parent.

As an educator, the significance of the first three years of a child's life is of supreme importance. I think all of us understand that. In addition, Mr. Speaker, a great deal has happened in the last few years in brain theory, research, and learning theory that has made the public and parents realize how very important and vital the education process is and the importance of the early experiences of children when they are outside the home.

Admittedly, when my children were born, when I was first required to go back to work, it was the age of Dr. Spock. We were looking at recipes for bringing up children. There wasn't very much mention of children leaving the home for care. But since that time, there has been the megatrend in Canada which I think we must consider as we plan to meet the needs of Alberta. It is a fact that between 1966 and today, Mr. Speaker, female participation rates in the work force have more than doubled. In Alberta, with our participation rate of 61.2 percent of all women being over the age of 15 and with over 65 percent of those women having children below school age, it is increasingly important for us to be aware and to acknowledge the cultural changes that this trend holds in our society.

While financial pressures have indeed had a part to play in the rise of female employment, Mr. Speaker, the typical working wife can no longer be said to be working to make up the shortfall in the family budget. Last year, for the first time, postsecondary institutions in Canada enrolled as many women as men. During this year and the next, it's estimated that as many women as men will be enrolled in the professional disciplines in these institutions. Women in the work force are here to stay, and they will play an increasingly more active role and exert a greater influence over our work force, our social needs, and our political and economic systems.

Mr. Speaker, no longer are the vast majority of women living their lives out as homemakers and tending solely to the needs of their husbands and children to the exclusion of full-time activity outside the home. In today's world, therefore, the role of parenting and the things that happen to children must be reconciled with the role of both parents working.

Alberta's working age population in May 1986 was estimated at 1,763,000, Mr. Speaker, which is an increase of 29,000 from May 1985. It is also extremely significant that with this increase, employment rose by about 27,000 from last year, and this increase can almost entirely be attributed to a 28,000-person increase in the number of women employed, most of them being adult women. To me this points to the fact that women are in the work force in greater numbers than ever, and it indicates a demand for their special skills.

If we are to pay any attention to these statistics, Mr. Speaker, we must acknowledge the inter-relationship between work and family life and the social value of the occupational activities of women. As well, we must recognize the prime focus of every mother and father, and that is for the health and welfare of their children. It is with these purposes that I bring this motion to the House for consideration.

Mr. Speaker, the Alberta government currently spends more per capita on day care financing than any other province in Canada. In 1980 a deliberate decision was made by this Legislature to establish a day care operating allowance program so that standards could be met and the care of children could be recognized as of prime importance to the people of Alberta. The program gives operating grants to day cares for each child, providing that regulations on staff/

child ratios are met and that adequate space is prepared for the children. These operating subsidies are given to all types of day care, profit and nonprofit. The province's licensed capacity was 27,194 as of March 1986. Even so, there are also certain demands in certain age groups that go unmet. That is why workplace day care is being suggested as a special consideration for this Assembly today.

Workplace day care can compensate for gaps in existing services. For example, in many respects day care centres do not totally meet community needs. Children must be dropped off quite early and collected within specified times. Centres are frequently not located in the community, convenient to where they live, or between their place of work and home. That entails extra travelling time for both children and their parents. For parents who work shifts, weekends, and holidays day care is virtually nonexistent. By far the largest number of employers that practise workplace day care in Canada are hospitals and health centres. Fifty percent of the centres in Canada that have workplace day care are hospitals or medical centres. Only recently have shopping malls and such places as Petro-Canada in Calgary and Trizec Corporation considered the possibility of instituting this type of benefit to the employees in their care. Workplace day care has been considered especially suitable for younger children. It eliminates the problem of lack of contact between parents and child for longer periods of the day and has a particular significance for young mothers.

Mr. Speaker, the need for day care is at the heart of new relationships building between employers and employees. It's the fourth largest item in many family budgets after taxes, housing, and food. For parents it is a constant worry, yet when it is good, it consistently increases the productivity of the working parents. Day care has changed from a woman's problem to a work issue.

Mr. Speaker, there is a growing body of evidence that company-sponsored day cares pay off in increased productivity, decreased absenteeism, and better employee morale all around. A study at the Texas Woman's University showed that a \$50,000 investment in a day care program can save some \$3 million in employee turnover, training, and lost time involved therein. In another study in Freeport, Texas, a heart pacemaker manufacturer has operated a day care centre since 1979, including a night care service for employees on the four to eleven shift. Though the centre typically operates at a loss, the company has reaped an important benefit: a 9 percent drop in absenteeism among its 1,000 workers. That amounts to approximately a \$2 million saving in reduced turnover costs since that centre opened.

Mr. Speaker, I feel it's important that we look at these. People want child care options, and there are many possibilities which we can take a look at. When one considers some of these possibilities, we could look at subsidization of the occupancy costs, such as rent, utilities, repairs, and maintenance. That could be a co-operatively initiated venture with the employees. We could look at such projects as an employer possibly supplying on-site facilities such as has been done at the University of Calgary. This serves not only the instructors and their families, and the students and their families, it serves as well a wider segment of the community when spaces are available.

We could also consider building facilities into any new buildings that are being constructed in both the private and public sectors. This particular move, while not always supported by parents, has an added inducement in that people could have lunch with their children. People could be there if they were needed very quickly. Of course, this

is most important for the younger children that are in day care.

Mr. Speaker, employer contributions could vary according to many of the resources that are wanted by the parent groups. Administrative and operating expenses and assistance can be given, even laundry service and accounting assistance to the group. Direct financial assistance could be given in the form of operating grants or interest free loans from the employer. There could be fund-raising assistance. There could be advertising and research and consultation assistance.

Mr. Speaker, I would like to go into these more thoroughly at some point in time, and I beg leave to adjourn debate so that I may do so.

MR. SPEAKER: Having heard the motion for adjournment of the debate by the hon. Member for Calgary Foothills, does the Assembly agree?

HON. MEMBERS: Agreed.

MR. SPEAKER: Opposed?
The motion is carried.

MR. HORSMAN: Mr. Speaker, this evening when the Assembly resumes at 8 p.m., it is proposed to call Government Motion 6, which is the motion on the budget, adjourned by the hon. Leader of the Opposition. I regret that I won't be present to hear his speech, but I'm sure that all his caucus will be here to hang on his every word.

[The House recessed at 5:27 p.m. and resumed at 8 p.m.]

6. Moved by Mr. Johnston:
Be it resolved that the Legislative Assembly approve in general the fiscal policies of the government.

[Adjourned debate June 16: Mr. Martin]

MR. MARTIN: Mr. Speaker, I know the government members opposite have been waiting, because they haven't heard me since last Friday morning. I don't want to disappoint them. I think I have 90 minutes. I'm sure they'd love to listen.

First of all, Mr. Speaker, let me say about the budget that it's nice to have a budget in Alberta for a change, because it's been over a year since we've really had one. Of course, the last time they brought it forward, we called an election. In view of being positive and always starting off with something positive to say, I'll say this about the Treasurer, and I said it to him last night: you read very well. That's what I will say positive about the budget, and you will forgive me if I go on to tell the truth about the budget.

First of all, Mr. Speaker, if I may say so, I think the budget is, as I said last night, disappointing for ordinary Albertans. I say that for a number of reasons. I know the government has said to us that they went out and campaigned on that budget and that that's what the people of Alberta overwhelmingly wanted. They loved this budget so much that's why they sent back a big opposition this time.

The point that we want to make, and I said it before in the Speech from the Throne, Mr. Speaker, is that some

people still voted Conservative because it is sort of like a habit. They went to vote for an opposition member, and something came across and stuck it over in the Conservative side. But a few were able to break that, and that's why, as I said before, you have 22 people in the opposition.

With the drop in the popular vote and the drop in the number of seats, I believe if there's anything that election told us it is that people were not satisfied with that budget. We were told that was the mark of where the government wanted to take us. Obviously, they weren't happy about where we'd been, and they didn't see this budget as changing the direction of where we wanted to go. But as I said, that's not unexpected. It's nothing we really didn't expect. It's the same old budget with the only difference being a little higher deficit to make up for a few election promises.

I want to say that people in this province from one end to the other are looking for an alternative, and they want some hope. They want some hope from this government. I don't think we can kid ourselves any longer. We are in very serious disarray economically and socially in this province, and anybody who refuses to recognize that just isn't recognizing the reality of what's going on in 1986. As I've said before, Mr. Speaker, the solutions that seem to come from this government are basically solutions they tried in the '60s and '70s. When the price of oil was high because of the OPEC nations, everything they did seemed to look good to the people of Alberta. But the mark of a government is not how you govern when times are good; it's how you govern for ordinary women and men when times are difficult.

If I may say so, as I have before, I've given the government an F on this budget. I'm sorry, Mr. Treasurer; I'm sure you'll do better next time because you had to follow your predecessors. But I have to give them an F on this particular budget if they think this is really going to turn the economy around. Mr. Speaker, the government just seems unable to grapple with the realities of tough times. Quite frankly, I suggest that their right-wing ideology is what gets in the way of doing what's right for the people of Alberta.

Before I get into some of our alternatives, Mr. Speaker, I'd like to continue about the deficit, a little discussion we had earlier in the day with the Treasurer. He is optimistic. I remember the previous Treasurer telling us to be optimistic too. They said that in 1982, 1983, 1984, 1985, and they're still saying it in 1986. As I've said before, people will be optimistic when they see the government doing something to make them optimistic. That's the reality of it. No longer can we just have glib sayings that everything will be all right and that people are going to flock around to vote Conservative, as they well know now.

Let me say about the deficit, Mr. Speaker, that if the deficit was there and I could see that it was going to turn the economy around and create jobs and diversify the economy, that's one reason for having a deficit. But to have a deficit for what we have now, with no hope other than that Sheik Yamani comes forward and saves us, then I suggest that deficit we're going into is very scary. The Treasurer and I have bandied about figures about this forecast and that forecast. I noticed in the budget that he was saying that when we wrote the first budget, it was \$10 U.S. and now it's \$17 U.S. But they failed to tell us it has again dropped since then to the reality that right now on the spot market in west Texas it is \$12.55, not the \$17 they talked about in the budget.

Mr. Speaker, that's the reality of what we are facing today. Sure, there will be a fluctuation, but if you talk to

any forecaster — and let's look at what they've come out with just today on the futures market. They are predicting that it will go up a little bit in July to \$13.66, in September it will drop down again to \$13.17, in November they're predicting \$13.25, and \$13.27 in January, a long way from the \$17 they're talking about in the budget.

The reason I raise this is that we'd better have a realistic idea of how much we are going to be in debt in one year's time. I sympathize with the Treasurer at this particular time. It's not easy to try to figure this out. That's why — I'll come back — we'd been advocating that they do something with their federal brother and sister about the floor price. I just say to you that every forecast I see, this government is predicting a rosier picture. They are not doing us a service. They are not doing the people of Alberta a service if in fact their predictions are as bad as we think they are, Mr. Speaker.

I say this: it's not when we've advocated the floor price. I know some people in industry didn't want it, but some do now. The reality is that if we don't get a grip on our revenues — 60 percent of our revenues come from the oil and gas sector, and if that's falling and falling and we're going billions of dollars into debt every year, with the history of this government, I ask you: how are they going to attempt to make that up? Well, Mr. Speaker, I go back to last time: income tax hikes and cutbacks in people services. I suggest to you that come next spring, the Treasurer is going to have to take a look at those measures if nothing else happens, and instead of doing what we think they should do, it will again be on the backs of ordinary people, with cutbacks and income tax hikes.

I suggest to you that if this continues over three of four years, Mr. Speaker, that sales tax we've been so proud to avoid over the years will become a reality in this province, because we have nothing else but those two major industries, agriculture and oil and gas, and they're both falling in the commodity prices. We are like the most unprotected banana republic in any part of the world at this time — the boom and bust psychology. That's the reality in Alberta today, and no amount of happy talk will change that reality, Mr. Speaker.

Now, let me say about the budget that as every piece of paper that has a lot of words on it, there's bound to be one or two good things in there that they hit upon. Mr. Speaker, it's nice that they borrow some of our ideas once in a while. We think the private telephones are good for job creation. We announced it about four months earlier, and then I announced it ahead in the election. It was interesting that the Premier went to the same town to announce it a week later. But that's fine. It's good for the people of Alberta.

Even two elections ago we talked about low-interest fixed loans. But it's like Conservatives to get it mixed up. Instead of the six, they put it the other way around and got it at 9 percent. If they were truly concerned about low-interest fixed rates, that's where it should be for small business, agriculture, and mortgages in some cases, as we've been advocating.

As I said last time when my late colleague, Grant Notley, or Jim Gurnett and I raised this — remember, what a silly idea. All the money would dry up from the banks, and it was such a silly idea that the opposition was proposing. Lo and behold, it wasn't so silly after a point. It's rather interesting when you sit in this Legislature over the years. But that's okay. Good. I've said before, Mr. Speaker, that we don't mind the Conservatives stealing our clothes, but

we'd rather you take it all, even our shorts, and you'll be doing something well for the people of Alberta.

I would like to come back, if I may — because it's very soon after the election — and reiterate some of the things that we said to the people of Alberta. I recognize the government has a mandate, although as the Liberal leader said earlier, if it had gone on three more weeks, I'm not so sure they would have. But the reality is that we campaigned on issues and ideas. That's not to say that any one group of people in this society has all the answers. We all know that that's nonsense; we don't. But I think we have to go beyond our fixed ideologies and look at what works in other parts of the country, in other parts of the world.

Mr. Speaker, we have to be open and innovative to ideas and forget about a right-wing ideology, because it didn't work in the '30s and it's not working now. It's a combination of ideas that work. That's why we went out right across the province and talked about the three general themes: jobs, farms, and fairness. I recognize that in a campaign you can't put a total economic package ahead, but you can at least give people ideas about the direction you want to take the province.

I would say to the government — I'm going to throw out some more ideas, and if they want our background papers on them, please borrow them. Borrow it all. It would be good for the people of Alberta, and we'll all feel that we're doing our jobs here, Mr. Speaker.

First of all, in terms of jobs. As I said before, if we do not get some stability in our two major sectors, we can talk and philosophize all we want about diversification, but it's going to be practically impossible to diversify unless we get some strength there to begin with. If we get some stability in those two industries, Mr. Speaker, it seems to me that there is that potential to move towards diversification. We should have been doing this long ago. The government talked about it in '75 and hasn't done it, and now we're facing the price for it. I suggest to you, though, that the major thing we have to do is look at those two major industries.

Mr. Speaker, one of the things that we laid out during the campaign was to try to at least advance some proposals, recognizing that because we signed that Western Accord — I remember being booed in the Legislature because I thought it might be a problem — we have created our own problems there. But perhaps the federal government should recognize, as we talk today, that they owe Alberta something because we didn't have the world price.

We basically talked about the fact that we didn't believe we had to sort of sit around with our fingers crossed waiting for OPEC to save our economy. I suggest this, and it was tied into the Western Accord at the time, Mr. Speaker: that sort of Conservative ideology, that blind faith in the dogma of deregulation, is costing Alberta thousands of jobs today; costing our Provincial Treasury, as we've talked about, billions of dollars; and it's risking the future for our grandchildren as we rapidly deplete but do not replace our cheaper conventional reserves.

Mr. Speaker, what we suggested — I think the government and I recognize and agree on one point — is that we should, for Canada's self-sufficiency, be moving towards activity in our heavy oil and tar sands. It makes no sense to us that Canada is importing at a cheaper rate, and when the price goes up, we pay the price there. We think it's a Canadian problem, but Alberta should be taking the lead. Along with the floor price and import quotas that I've talked about many times in this Legislature, we suggested that we establish

Alberta Plus, a resource investment agency which would be granted seed equity. During the election we talked about an initial equity of some \$1.5 billion from the heritage trust fund to enable it to fulfill its mandate of co-ordinating and managing the launching of viable oil sands and heavy oil projects.

Mr. Speaker, there are a number of parts to this, but the reality was that we saw this involvement of the Alberta Plus agency as an important equity participant in projects. As we said, the other point is that it had to be treated more like a utility. That would be a Canadian sacrifice, but there should be a negotiation of a pricing structure for each project, which would return sufficient prices to the project over its lifetime to ensure that participants receive a reasonable guaranteed rate of return on their equity — if you like, a partnership between the trust fund and the private sector, with some guaranteed rates of return on that. That's the way you'll get those investments going, Mr. Speaker.

Then we suggested — and I realize this takes negotiation, but again I say it's a Canadian problem — blending of the special price for the project with the price paid for all other oil consumed in Canada after negotiation with the federal government. Mr. Speaker, it seems to us, too, that if oil prices went up under these situations and there were windfall profits, they would be guaranteed. Both the government and the private-sector people in this would already be guaranteed their profits. Those profits would then be returned to the people of Alberta.

We talked about local procurement. They had an Alberta-first debate in the Legislature today. We talked about how you could pay for that on a 25/75 percent basis, similar to the way the pipeline was done. We still have a good credit rating. The point I make is that that would do one thing along with, if you like, getting the floor price under clause 9 of the Western Accord and import quotas. Moving to something like this would go a long way to solving the problems we have in the energy industry.

Mr. Speaker, the other major area I just want to briefly talk about is our farm economy. When I look at what is happening in rural Alberta — and I don't think there's any politician who has travelled the province as much as I have in the last couple of years. As I've often said, I have an inner-city riding but rural roots in this province. When I travel the province, if you're not listening, you find out — you can see what you want to see if you're not listening. There is despair there, and I really say to this government that the decisions we make now are going to determine what kind of rural Alberta is going to be there in the future — or lack of decisions, if I can put it that way, if they're so caught with their ideology.

The reality is that many, many farms have gone under already, and many are just hanging by their fingernails at this particular time, getting pushed from all directions. The reality in rural Alberta is, as many people have told me, that it's not just the farmers. Everywhere you go the whole rural economy is based on farm income. What happens to our villages, hamlets, and smaller towns if they don't have that farm income, if a lot of farmers go out of business? Of course, the next thing that happens is the local businessmen can no longer operate, and they move. Then other people, the teachers and the nurses, leave and the hospital shuts down. The reality is that this has happened in many places in the United States, and we're making some of the same mistakes that they are, Mr. Speaker.

I say to you that we can believe in the marketplace and worship it, even though there isn't a marketplace, and say

that that's our ideology and watch a lot of other farms go down the tube, or we can say that we're going to do what we can to protect the family farm and the devil have the ideology. We're going to do what's right for ordinary people in rural Alberta. I think that's a decision we have to make, because in rural Alberta the future will be either big farms, corporate farms, and cities or it will be the family farm, the small villages and towns that we still have. I suggest those decisions will be made in this province in the next five years. Maybe we don't even have that long, Mr. Speaker. Again, there aren't easy answers, but if we move away from ideology and say that the basis is the family farm and what can we do about it, then it seems to me that certain policies will flow. We don't start at "I believe in the marketplace and the hell with it," which I believe this government has taken most often.

That's why — and it is not new — we campaigned, as this government is well aware, on a debt-set-aside period, a debt adjustment. Again, we talked about lowering it to 6 percent fixed-interest loans. We talked about a disaster program that kicks in automatically, and I understand the government is looking at this. I hope they do. We talked about vendor lending from one generation of farmers to another with 80 percent guaranteed by the government so that we can pass on land from an older generation to a younger generation.

Most of all we talked about pricing. Mr. Speaker, if you go to almost any farmer, they will tell you that if we can get some handle on the pricing, we can begin to deal with some of the other problems. I'm sure other members in this Assembly have heard that. I recognize that there's a glut on the international market. Our traditional sources — i.e. the U.S.S.R. or China — in some cases are becoming more self-sufficient. Surely there are things we can do in our own domestic market. That's why we've pushed the idea of parity pricing on Lorne Nystrom, the Member of Parliament for Yorkton-Melville. That's why I said; what can we do provincially?

We talked about a fair pricing proposal during the campaign, where we suggested a provincial payment based on the target of \$6 per bushel for wheat and an equivalent benefit for feed grains, oats, barleys, and oil seeds. At that time that was based on a Wheat Board initial price for '85-'86 of \$3.60 a bushel. That would have made a \$2.40 bushel payment for wheat, which would have been some \$249 million. It seems to me that in the oil industry, the major thing we do right is throw it at them. Take it, and we hope that you create jobs. Here we knew this would create jobs. It's based on pricing. We hoped that it would put some pressure on the federal government to at least look at this whole concept of parity pricing, because I can tell this government that there are more and more farmers right across the country who are going to demand a Bill like that.

I was disappointed. We had the task force out here, and I would have thought the Minister of Agriculture or the Premier or somebody would have bothered to come and give Alberta's viewpoint on that during the election. Can you imagine my surprise when I found out that I was the only one going to present something to them. Even if we disagree, surely when a task force is set up around the country to look at pricing, the Alberta government should have the responsibility to be there. But what did the Premier say? We don't go to federal agencies. What nonsense. They're going to be providing laws. If you care for the people of Alberta, then you should be there.

Mr. Speaker, the other areas that we talked about are fairness issues. The mark of a civilized society is how fairly we treat everybody in the society, rich or poor, women or men, whatever ethnic group you are. We have a long way to go yet in this province. Let me just pick a couple of issues. It might help the Treasurer in terms of trying to balance the budget.

We have the most distorted taxation system in the country. It's bad enough across the country, but it's the worst here in Alberta. I looked at the latest budget, Mr. Speaker, and I saw that in the roughly \$2.7 billion that we're taking out of taxes, \$1.7 billion alone will come from personal income tax. I'm not including the tobacco taxes and the other taxes, just personal income tax. When I look at what the corporate sector is going to pay according to this budget — and we'll have to check that — it's \$700 million. In this country it used to be that we believed in a progressive taxation system, that at the very minimum it should be roughly fifty-fifty. That's what it was. Even when the Conservatives first came to power, Mr. Speaker, approximately 63 percent was picked up by personal income tax and 37 percent by corporations. It's getting worse and worse.

The point is that if some people aren't paying their taxes, other people are going to have to pick it up. That's the reality. I raised this with the previous Treasurer. Alberta has double the average number of people who don't pay any taxes at all. Where's the fairness in that? I say to the government that ordinary people in this province aren't going to put up with that injustice any longer, and they're recognizing that is going on. That's one of the things we can look at in terms of fairness. I also say to the minister that if there were more purchasing power in the hands of individual taxpayers, that's the way to stimulate the economy, not throwing money at a few corporations and hoping it trickles down to them. If you made that taxation system fair, you'd also be doing something towards stimulating the economy, Mr. Speaker.

The other fairness issue I just want to mention briefly, because my colleague mentioned it in her speech yesterday, is the whole idea of fairness between men and women, specifically in one area: the idea of equal pay for work of equal value, better known as pay equity. Mr. Speaker, the government can say all they want, but the figures are clear on this issue. Women working full-time in Alberta earn 64 cents for every dollar earned by full-time men, whereas all working women — and you might know by the nature of women's employment that many of them are forced into part-time work because some of the larger corporations then don't have to pay any pensions and all the rest of it. When we take all working women, they earn an average of 52 cents for every dollar earned by working men.

Let me just give one other figure on this, Mr. Speaker. We find that 68 percent of women in this province earn less than \$15,000, and along with the province of British Columbia — you know that great thinker out there, Bill Bennett — we're one of two provinces in which women with university educations are earning on average less than men with some high school. That's the reality of what's happening in this province. To me that's a fundamental fairness issue. We talked about bringing in a pay equity program during the campaign, if you like, starting off as other provinces are doing with our own provincial employees and through conferences and mandates eventually working towards fairness in the province. I recognize it can't all be done overnight, Mr. Speaker. But surely it's a fundamental fairness issue, and we should begin to move in that direction.

Let me go on to say, Mr. Speaker, that we talked on many other areas, other fairness issues, other jobs. I won't go into all of them. We put out a nice little pamphlet just to give people the bare bones. We talked about youth employment. When we have high unemployment — I shouldn't have to tell this government that it's much higher among youth. I might tell you that the social problems we're creating are going to be immense, Mr. Speaker, if we have a permanent underclass that's never going to work. That's happening in this city, and it's happening in my riding. I expect it's happening in other members' ridings.

We talked about the things we could do there and the retraining. We talked about a YouthStart to provide seed money to start businesses. We talked about a Katimavak Alberta. Other things we talked about were Main Street Alberta, where we would fund renovations and improvements to main streets and commercial districts in Alberta's many small towns. We talked about a community assets program, which would assist in the construction of special projects such as community halls, bridges, parks, and recreational facilities. We also talked about a community development program, where we could bring that into Alberta communities suffering long-term unemployment and slow growth. There are examples of where the federal government is doing it. We talked about core area initiatives in our major cities.

Just quickly, the other things we mentioned, if people have any interest at all. If not, we will bring it in in four years. We talked about other facilities besides oil. We talked about a high-speed rail link to look into the 21st century. Creating that would take \$927 million over the next five to seven years, but that would create jobs for 1,600 people each year and indirectly employ another 2,520. I know the previous Minister of Economic Development believed in this because I asked him. Obviously, he couldn't get it by his federal counterparts.

We also talked about an Alberta works program getting on with needed public projects. We talked about highway improvements. We talked about cleaning up our rivers, Mr. Speaker, a Clearwater Alberta program. There are many others. We could go on and perhaps there are other ideas, but the key thing is that we cannot afford to have 10 percent unemployment and say it may come down. The waste of that and the economics of that have never made any sense to me whatsoever in a rich province where we're not prepared to look at every means to put people back to work.

We talked about other fairness issues. Obviously, we talked about the health care system. Only in Alberta does it make sense that we get the thrill of paying extra bills, and then the thrill of not collecting the money from the federal government — shrewd business types, you know, with the deficit. Ordinary people in Alberta can pay the extra money, and then we don't collect it from the federal government. It makes no sense at all, so there should be an end to extra billing, whether the doctors or any other vested interest like it or not.

We talked about a fair child care system that makes sense. Anybody who is 18 can set up a child care system. It makes no sense at all. We talked about that. Mr. Speaker, we talked about the fair recognition of cultural groups, with the multiculturals and a department that had teeth. We talked about a number of things. I won't go on; I hope the hon. members realize it.

The point I want to make here is that we believe we had just as much of a mandate for what we were talking about as the government has for what they're talking about.

That's why we brought in a number of private members' Bills. We will be critical; that's our job over here. But we have also said to the people of Alberta that we believe we have a very good program for putting people back to work, making rural Alberta prosperous again, and providing some fairness to this society. That's not to say that we won't be looking at the next four years and trying to come up with some new ideas. We will, Mr. Speaker. Again, the point I make is: let us not let our ideology get in the way of what's right for the people of Alberta. If this government keeps letting their ideology get in their way, they aren't going to be the government in four years. That's a reality. [interjection] Let me just conclude. You may call it what you want hon. member, but the people of Alberta want answers.

Mr. Speaker, let me just say this. To reiterate, after 15 years of Conservative government, Albertans are experiencing record high unemployment, sharp increases in bankruptcy rates, and continuing difficulty on the farm. As oil prices collapse, we're all paying the tab for years of mismanagement and the undiversified nature of our economy.

I want to just conclude, Mr. Speaker, by saying a few things about a vision I have. First of all, I have a vision of a diversified economy led by small business with jobs for those who want to work. A government that cared could bring this about.

Mr. Speaker, I also have a vision of our youth, women and men, again believing that they have a future in this province. Again, I say a government that cared could bring this about. I have a vision of a society where the taxation system is fair to all those in the society, not just to the richest and the most powerful in the society. Again, a government that cared could bring this about.

I also have a vision of a society that treats all of its members fairly and gives us all equality of opportunity, regardless what sex we are and ethnic background we come from. A government that cared could bring this about. I also have a vision of a fair society that allows the most defenceless in the society, such as the poor, the handicapped, and the elderly, to live in dignity and comfort. I say again that a government that cared could bring this about.

Mr. Speaker, under our rules I would love to be able to say that I have total nonconfidence in this budget. But being the parliamentarian that I am, caring about this institution, and knowing the rules of the Legislature that we cannot do it this way, I will instead bring in an amendment to at least try to improve the thrust of this budget. My amendment would be that Motion 6 on today's Order Paper be as amended as follows, by adding at the end of it:

but regrets the absence of initiatives to achieve a regime of floor pricing for Alberta's major energy commodities and fair pricing for Alberta's major agricultural commodities.

MR. SPEAKER: The hon. Leader of the Opposition has introduced an amendment. He is eligible to use the rest of his time, roughly 50 minutes worth, if he wishes to discuss both the main motion and his amendment. He has that opportunity. If he doesn't wish to exercise it, then the Chair will recognize other speakers in the Assembly, remembering that the time limits are 30 minutes and you must keep yourselves to the narrow parameters of the amendment.

MR. PASHAK: Mr. Speaker, in rising to support this amendment, may I recall a little history. As a many-time

candidate, I was always somewhat fearful that I'd actually get elected and then would have to give an opening speech. Then in giving that speech, anxiety would overcome me and cause me to stumble into those immortal lines once uttered by a former illustrious member of this Assembly, the former member for the riding of Calgary Mountain View, who many of you will recall was a former alderman and at the same time a school trustee in the city of Calgary. After leaving the Legislative Assembly, he then went on to be a Member of Parliament representing Calgary East. The story is that one day in this Assembly he rose to address a motion and said, "Mr. Speaker, I intend to speak to this motion off the cuff of my head." I think there will be many occasions when new members, such as myself, will probably do that same thing over the next four years.

With respect to the amendment my leader has proposed, I'm going to probably just reinforce many of the points he made in his remarks. I, too, am shocked and appalled by the lack of understanding on the part of the government as to the true crisis that is gripping our province at this time. Mr. Speaker, the Budget Address update presents a rosy picture with respect to both oil pricing and employment. The true fact of the situation is that layoffs continue unabated in the oil industry, and this is having a trickle-down effect throughout the rest of the economy.

In the city of Calgary, as members of this Assembly are probably aware, there have been numbers of layoffs in the allied steel industry. IPSCO has shut down. There are going to be layoffs at the Prudential Steel plant in the city of Calgary. Each time a worker is laid off it probably means that a further five workers will be laid off in the future.

The impact of this job loss is enormous on all levels of society. At the level of the individual, it takes away the individual's dignity. In many of the homes that I called on during the election campaign, I encountered people like former drillers, very masculine types. They'd be sitting in their living rooms almost crying because they didn't have work or didn't have jobs. The anger and hostility these people had was enormous.

I might also draw to the attention of this Assembly. Mr. Speaker, that there are currently only 78 rigs working in this province, while in good times there are often as many as 500 rigs working. So that gives the members of the Assembly some idea of the dimensions of this problem.

Of course, the consequences on family life are enormous. As a social scientist. Mr. Speaker, we know that family violence, desertions, wife beating, and violence of all kinds accompanies high levels of unemployment. In fact, the whole social fabric is torn apart by this condition. It's estimated by some people that as many as 30 percent of Calgary's work force could be laid off this coming autumn. You can imagine what kinds of conditions that would create. You just have to think back to what happened during the 1930s in this country.

What has the government done about this? Very little in the energy sector. They've introduced some very temporary stopgap measures, the most recent ones being \$100 million for the development assistance program, \$50 million for the well servicing assistance program, and \$50 million for the geophysical assistance program. In talking to leaders of the oil industry in the city of Calgary, it's pretty clear that not many of these people have much faith in these programs. In announcing the programs, even the minister said that they were just stopgap programs. They were intended to get the industry through the summer months.

Even there, there's a lot of skepticism about their ability to perform their intended function. For example, consider the \$100 million development assistance program. Who is that really going to benefit? It's not very likely that it will benefit the small drillers, because they don't have the cash that's required to begin a drilling program in the first place. Then if you're a major driller, what happens is that much of that money would be taken up in taxes anyway. So it's not very likely that any of these intended programs will be successful to any significant degree.

The stopgap measures won't work, because the problem in the oil industry really lies in the provisions of the Western Accord itself. The Western Accord has two major flaws in it, Mr. Speaker. It provides no assurance of protection against low prices. There is a measure, article 9 in the accord, that seems to guarantee some protection for the government of Canada itself, but it's problematic as to whether or not it would provide any protection for Albertans. In addition, it provides no means for Albertans to recover the \$50 billion to \$60 billion of economic rent that the citizens of this province — for it went to eastern Canada during the boom years.

Mr. Speaker, Albertans are desperate. We in the New Democratic Party have proposed a solution. It is included in our leader's amendment. It demands that price stabilization occur in the oil and gas industry, and this can only happen if a floor price is negotiated between the producers, Ottawa, and Alberta. Only through this means would we be able to protect the Canadian segment of the oil industry. As you're probably aware, at the moment the big companies are relatively protected in the oil industry, because even if the price is low for them, they can make it up at the refining end and then make it up at the pump. But smaller Canadian producers aren't quite so fortunate. They're going out of business left, right, and centre. They're being taken over by these very companies that we tried to protect a decade or so ago.

In the drilling industry many famous names — some attached to former Conservative Members of Parliament, but also attached to drilling companies in this province — are threatened with takeovers by banks. It looks like the Royal Bank of Canada, for example, is going to become the biggest drilling contractor in the province of Alberta within the next few months.

In closing, Mr. Speaker, I can only assert that the way to restore the Canadian segment of the oil industry to health is to introduce a floor price. That's the only way Albertans will be able to get a fair return, a return that they deserve, because the oil and gas resources of this province belong to them. That's the only way we can get a fair economic rent for our resource.

Thank you.

MR. ORMAN: Mr. Speaker, I may be new to this Assembly, but I didn't come down with yesterday's rain. I think the last time this country listened to some NDP recommendations to a Liberal government in the middle '70s — and I believe that recommendation was called the national energy program. Now, I would like to suggest that the hon. members opposite go beyond the Western Accord and look at the national energy program. Let's have a breakdown as to what that brought, what havoc that wreaked on this province.

I get a great kick out of listening to the leaders opposite, Mr. Speaker, because the last time their cousins, as they call them, in Ottawa linked horns, we saw a feature called the petroleum and gas revenue tax. That petroleum and gas

revenue tax siphoned off our resource profits to the people of this province and put an incentive on Canada lands in the Arctic. Those incentives on Canada lands in the Arctic were chasing \$40- and \$50-barrel oil. It seems that the great forecasters in the NDP and Liberal ranks are now the experts on forecasting.

One of the important things to me, being a native fourth-generation Albertan — we work hard for what we get out here. I myself find it very difficult having to present a deficit budget to the people of this province, but I think we have to go back and look at some history, Mr. Speaker, and see the reasons why we are presenting a deficit budget. We have had reference by the Minister of Energy today to the \$57 billion that we have in terms of a credit with the federal government.

I also noticed that the same bunch in Ottawa — Trudeau and Chrétien and Turner — are now calling for the reimplementation of the national energy program. This wasn't three or five years ago; this was last week. I'm sure if we had the same kind of arrangement in Ottawa last week as we had in the '70s with the minority government, we'd probably see the national energy program again.

I would like to conclude by saying, Mr. Speaker, that we have a number of experts from the oil and gas sector on the other side of the House, and I think we have to go back to the '70s and review some of the recommendations, some of the things they were saying to each other at that particular time. Then let's have them look at those programs that were brought in at that time and just see if we should be listening to the recommendations. Coming from the energy sector, I can certainly assure you that there is no unity on the thought of a floor price from the oil and gas sector.

I would like to say that I would recommend the people of this House vote against the amendment. I think in terms of what the budget has presented for the oil and gas sector, that is what is needed at this particular time. The problem with the oil and gas sector today has to do with markets, and it has to do with price. It is our role, both here and in Ottawa, to do whatever we can to find the markets for natural gas and increase the price for the oil products.

I believe the federal government has a role to play in this. Another feature that came out of the marriage in the '70s, Mr. Speaker, was the stripping away of superdepletion from the oil and gas sector. But they left it on the mining sector, and now that investment dollar is tending to go toward the mining sector rather than the oil and gas sector. I think that is discriminatory in nature, and I think we as the provincial government, and all levels of government, have to encourage the federal government to implement equity when it comes to investment, when it comes to tax dollars, so that investment would be encouraged to be reinvested into the oil and gas sector.

In closing, I would like to say that I do not agree with the floor price, and I know that a large segment of the oil and gas sector — the small guys in Calgary — don't have any interest in the floor price either.

Thank you.

MR. FOX: Isn't this fun? As the third native Calgarian to rise and speak on this amendment, bearing in mind that budgets deal with what may be happening in the future and not with what's happened in the past, Mr. Speaker, I must say that I'm in favour of this amendment because I think that while the budget has some aspects with which I can concur, as someone who takes a great interest in the agricultural industry, I'm concerned that there is no reference

or attempt to deal with the underlying problem in the industry. That is the lack of fair and reasonable price in the marketplace for the products that we produce.

There has been a great deal of discussion about the troubled times our agricultural industry has faced over the last several months. Mr. Speaker, I think for the first time in many, many years there is a general recognition amongst the urban dwellers in Alberta that their fate is very closely tied to the fate of their rural cousins, and if the agricultural industry is in some difficulty, then they start to feel it too. I think 1985 would be a year that many farmers would like to forget when you think back on devastating drought, grasshopper problems, frost in June and August, unharvested crops, and moisture at the wrong time. It was quite a year.

It's a year we'd like to forget but probably won't be able to. Unfortunately, I think these are problems that we can't do much about. There are many risks in farming, but I think we can minimize the economic damage that is caused by the lack of a fair price in the marketplace for our products. This is what our amendment attempts to point out and what many of the programs we've brought forth during the campaign and that we will push in this house, Mr. Speaker, will try and deal with.

I think we have to recognize that in most sectors of the agricultural industry we can only guess about what our futures might be. We don't know how much we'll produce. We don't know how much we will be paid for it. We don't know who'll buy it. We don't know if they'll buy it. There's just too much uncertainty in the production of agricultural commodities to develop any sense of strength and stability in the industry. I think we recognize that we can't do much about some of the things, but price is something that a government with conviction and desire could influence in a very positive way.

Mr. Speaker, I think we all recognize that the costs of production have skyrocketed over the last 10 years. Commodity prices have not kept pace and in many cases have fallen behind. I might point out to the members here that according to the provincial government's own statistics, net cash income for farms dropped 10.2 percent in 1985. This follows a decline of net farm income of 23.7 percent in 1984, 27.2 percent in 1983, and 33.7 percent in 1982. There is an obvious and very distressing trend here.

Mr. Speaker, our grain producers in Alberta have faced very severe obstacles in these years. There has been record production of wheat in the world market. Prices have been driven steadily lower, along with problems caused by the U.S. farm Bill and various support programs that are in place in the European Common Market. I think we in Canada have already begun to feel the effects of the programs in the United States and the European Community. The Canadian Wheat Board recently announced that it would pay farmers only \$130 per tonne for top grades of wheat. That's \$3.53 a bushel. That's a decline of 19 percent from last year's initial price. How long can the agricultural community be expected to cope with this, Mr. Speaker? There are things that a government can do, and working on ways to develop fair prices for farm commodities is one way to do this.

Mr. Ted Turner, president of the Saskatchewan Wheat Pool, says the cuts in the initial price are unjustified and unbearable, because it costs almost \$200 a tonne, or \$5.45 a bushel, to produce wheat. Early estimates are that net farm income in Canada could decline as much as \$1 billion as a result of falling wheat prices. I think we all know just what the effects of this kind of drastic decline in the

net farm income will be on our rural economy, on our small towns and villages, and indeed on the cities in Alberta, especially given the trend of the last several years.

The standard solution for problems in the agricultural industry is often a subsidy of one form or another. I think this government specializes in them. Mr. Speaker, I think we have to recognize that taxpayers in general and farmers in particular are getting tired of the word "subsidy." It's also interesting to note that when farmers receive help, it's called a subsidy, but when it's other industries — oil and gas being a prime example — it's called an incentive.

I think the concern in the rural areas about the subsidy cycle is widespread. There's a definite awareness of the need for a fair pricing proposal. One of the problems is that in practice subsidies often don't work well. They put money into the wrong pockets. Mr. Speaker, I remember a subsidy on hog production a few years ago. Soon after the government announced the few-dollars-a-head subsidy on hogs, the price went down by a like amount. It brings to mind the subsidy on fertilizer that this government brought in last year. Soon after it was announced, the price of fertilizer went up. So what happens? The taxpayers give, some companies receive, and the farmers in Alberta look like they're receiving generous handouts.

I think farmers realize that we do not need charity. We need parity pricing. Parity pricing is a mechanism by which farmers are paid a fair and reasonable price for what they produce, which takes into consideration the cost of production, Mr. Speaker, and gives them a reasonable rate of return over and above that cost of production. I believe, as I'm sure all the members of this Assembly do, that farmers are a hardworking and very productive group in our provincial economy and, indeed, the backbone of Alberta's economy and deserve a fair and reasonable price for the products they produce. New Democrats all across Canada and in Alberta have worked and will continue to work very hard to try and bring in programs and support programs that exist that do provide some sort of security for farmers through parity pricing.

This isn't too dry, is it, Mr. Speaker?

As our leader mentioned earlier, there is a Bill before the House of Commons Agricultural Committee in Ottawa, and the hon. Member for Sherwood Park would be aware of it. It's Bill C-215, introduced by Lorne Nystrom, our colleague from Yorkton-Melville.

One of the important sections of this Bill provides for an annually adjusted price for grain used in Canada for human consumption. I think it would provide some healthy increases in returns for grain farmers, while having only very slight increases in terms of the price of food. Estimates indicate that wheat producers in Canada could receive up to \$10 a bushel for the first 2,000 bushels that they produce every year, Mr. Speaker, and that this would only have an impact on the cost of a loaf of bread of about 8 to 10 cents a loaf. I don't think it's reasonable. I think it's long overdue, and we certainly wish there was something in this budget that would indicate this government's intention to work toward a parity pricing program.

I think there is general recognition in the agricultural community that we need parity, not charity. It's an idea whose time has come, and we on this side of the House would be more than willing to work and co-operate with the government on this matter were they willing to show their intention to strengthen and stabilize our agricultural industry in a very meaningful way by working to provide fair prices.

In closing, Mr. Speaker, I'd like to say that we have not only an opportunity but I think a responsibility to try and bring forth some meaningful programs that would genuinely help our producers. I think that while the attempts that are being made to lower input costs are certainly necessary and have some validity, we must recognize that they're short term at best, because if there is no program or mechanism in place to guarantee farmers a fair price for what they produce, that takes into consideration the cost of production, the attempts to provide income stability through lowering input costs will be short term. The price could keep falling, and no one would be better off for it.

In conclusion, Mr. Speaker, I would like to speak in favour of the amendment and urge members opposite to do likewise.

MR. YOUNG: Mr. Speaker, we're engaged in a very important debate on this amendment, and the debate is really this: what style of government participation are we going to have in this province? What responsibilities will government assume? What role will citizens of this province play? We've been provided with a scenario which suggests that all will be well if we can throw walls up around the province, around each industry, and that we can maintain these walls with floor prices and all the rest of it.

Mr. Speaker, I come from a farm background. I worked for a farm organization. I lobbied Ottawa in my youth, before I matured and saw some light, on behalf of agriculture. I think farmers need a fair deal. I think the energy industry does. I think all kinds of people need a fair deal. I'm equally convinced that to go with floor prices, as is suggested in this amendment, is not necessarily and not even likely and far from being the most likely way to get a fair deal for the people of this province. That should be the concern of every one of us in this Assembly. I believe it is the concern of every one of us in this Assembly. We have all campaigned. We all know that some people are hurting. Some people are hurting in their employment and that causes hurt elsewhere, and surely we all empathize with that.

But let's not hurt them more by holding out the mirage of a quick and easy solution which isn't a quick and easy solution, which pretends that we as government will take unto ourselves more than it's possible for government to do. There is no way, I submit, that we as a single province can produce a floor price for a major commodity and sustain that price for the rest of Canada. It isn't in the cards. It isn't possible. Even if we could do it for Canada, we'd have to look at the international marketing situation, and I submit to you that that is not the route we can go if we want to consider ourselves as a trading nation. We are a trading nation, and if ever there was a province in this dominion of ours that is a trading province, it is this province. So let's think through what we are proposing here in this moment of warm emotionalism and excitement.

I submit, Mr. Speaker, that we as a government should go the supportive route with our different projects and on behalf of the citizens of this province. In agriculture we have a role to play, and we are endeavoring to play that role. We are endeavoring to play it with the removal, through the review of the hail and crop insurance program, of some of the risks which we think can be mitigated. Surely that is something we should do. We are attempting to provide more certainty by the introduction of long-term Fixed interest rate loans. Surely that is something we should do. It's in the budget. It's in the throne speech. We're

trying to reduce cost inputs as best we can. That, too, is something we should do to make our farmers more competitive. But to suggest that we can throw up barriers which will eliminate all competition — that's nonsense, with respect.

Mr. Speaker, in the energy industry we have also taken some supportive initiatives. I'm not going to go through them, because surely we're all quite familiar with them. They've been the subject of the throne speech, they're also in the budget speech, and they are one of the reasons for the addition to the deficit that we're all contemplating.

Mr. Speaker, with respect to employment, there is a supportive role that we can take and it isn't with regard to floor prices. I'll come back to that in a moment.

With respect to tourism, there is a role for us in tourism and it isn't floor prices. It is projects like the Tyrrell museum. I hope any member here that hasn't had the opportunity to see that magnificent international tourist attraction will take the time — probably not this summer, because it seems we'll have other things to do this summer, but early winter would seem like a good occasion to visit Drumheller. We also are staging and in the preparation of staging the Winter Olympics in Calgary. We don't get to stage Winter Olympics with an attitude that we're going to cure everything with a floor price, with that kind of government intervention. Not at all, Mr. Speaker. We may get to achieve the kind of governmental interference that New Democrats the dominion over have been trying to achieve, but we certainly aren't going to succeed in achieving the involvement of people in the manner that we want, because the challenge for Alberta is a challenge for government, a challenge for Albertans, and a challenge for the private sector and we'd better all be working together.

That brings me to the other question I want to raise. In addition to the question of what kind of government participation, what kind of role for government, I ask all of us to think about the attitudes we portray to others if we seem to leave the impression that we can do away with all risk in life, that we can do away with all risk in business, that we can cure every economic ill that comes along with a floor price. Mr. Speaker, I submit that we create a very serious and difficult change in attitude in this province.

This afternoon I had the pleasure of spending one hour with the president of LSI Logic of Canada. For those who may not be familiar, LSI Logic has been attracted to this province through support from government. It has also been attracted here because we have a great group of over 100 world-class scientists at our universities. It has been attracted here because we have a business climate and an attitude toward taking risk, taking a chance, toward working, toward studying, which is in the opinion of the president not unique but far too rare in terms of the world.

So what are we achieving through bringing LSI Logic here? First of all, we have buttressed the Microelectronic Centre. Secondly, we have the potential not only to produce customized chips, which are very important, but to take orders for them and develop the software for them and actually produce a new industry in this province which is very significant, to spin off a whole lot of other industries. We do that because we have an attitude in this province and skills that are premised on opportunity and a willingness to have and share some risk, the knowledge that the government is there to supplement and to backstop and to take care of those who most need it. That is the direction I believe our programs should go. That is the basic philosophy I bring to this Legislature, and it is the one I think should prevail, whether it is in the energy industry, whether

it is in the agricultural industry, whether it is in the forestry industry.

Mr. Speaker, I ask all members to reflect for a moment. In the forestry industry, where we have a new oriented strandboard plant ...

MR. SPEAKER: Excuse me, hon. minister. I've been having some difficulty following the logic of how you're stretching the narrow wording of the amendment on energy and agriculture, and we've gone along with that for a period. But I think now that we've gone on to forestry, that's really a broader definition of agriculture than we can really ... Perhaps you could conclude your remarks on the amendment, please.

MR. YOUNG: I am going to do two things, Mr. Speaker. I suggested that there were two issues I saw in this amendment. One was the role of government and what perspective we have for government. The second was that if we adopt this amendment as proposed, with its significance for the two very important industries in our province, what does it suggest to people within our province and others outside our province who are looking at the opportunity of participating in a business atmosphere, in a potential to take risks and to achieve, when with the possibility of the least little thing going wrong, government will intervene in the manner of floor prices? That is the connection.

Mr. Speaker, I'm suggesting that what we do here in respect of those two industries reflects an impression upon people who would put money in this province, who would create jobs in this province. It reflects an impression to those people for all industries, not just energy, not just agriculture. That's why I think this particular amendment is so significant to us, and that's why I urge all members to defeat this amendment.

MR. WRIGHT: Mr. Speaker, the hon. Member for Edmonton Jasper Place is correct. This is an amendment which raises the difference between the approach of our respective parties. The hon. member is of the opinion that the measures we are proposing are the sorts of things that are inappropriate when every little thing goes wrong — every little thing, like the prospect of 30 percent unemployment in the oil and gas industry; every little thing, like an unemployment rate varying between 10 and 15 percent in sections of the province. We do not consider those to be mere little things. We consider those things conditions that require strong action — moreover, action that does not proceed along mere doctrinaire lines.

Oh no, we cannot intervene, because that is contrary to Conservative doctrine. Just as this afternoon we were talking about public utilities: oh no, we cannot take those public utilities over and get rid of this nonsense of a board controlling them and money being spent to represent the public interest, when we could automatically represent that by taking them over, because it's contrary to Conservative doctrine. We must have measures that address the very, very serious problems. Problems more serious have not occurred in this province since the 1930s, and the old remedies of trying to bribe the big corporations to do what will alleviate the situations and doing no more than that will no longer suffice.

True, we can think of additional and perhaps better plans than a floor price for oil. I'm not sure we can think of better things than a parity price for agricultural products. But dealing with oil, yes, I suppose there are additional

things that can be done, but we believe they are things that not even this government would do. For example, we have a provincially controlled energy company, the Alberta Energy Company; yet that company — and I'm quoting from its prospectus a couple of years ago — is proud of the fact that the government does not intervene in its running, that it runs just like another private corporation. I say it's scandalous when the public owns nearly half of that company and the conditions in this province in the energy sector are as bad as they are. That that provincially controlled energy corporation should be doing nothing more than every other company in the oil industry that's struggling to make ends meet in this province is a scandal.

In the absence of initiative like that, initiative that would say in the oil industry, "Right, we will drill; we will employ the drillers and the roughnecks and the employees in the oil industry to keep our drilling program at least at an acceptable minimum, regardless of the price at the end, because we have the resources to do it," — the failure to take that sort of initiative is a failure in a very signal way of this government which we cannot hope, without being the government ourselves, it seems, to correct. But at least in proposing a floor price for oil — and here surely the hon. member who has just spoken will do us the credit of supposing — we are not saying that this is something that should be approached by the province alone. We are talking about initiatives that will attempt to set a floor price in conjunction, of course, with the federal government.

The hon. member from the other side of the House who spoke earlier on this amendment referred to the large debt exceeding, it is estimated, \$50 billion. That is owed by the people of Canada to the people of Alberta in the deficit between the price fetched and the price on the world oil market that has been foregone. Surely at this time the government of this province should be negotiating with the government of Canada to get back some of that debt. One way is to establish some sort of minimum price for the product in the sorely pressed industry in Alberta. If the government of Alberta took a firm stand in that connection. I warrant you, Mr. Speaker, that the government of Canada would have to pay attention.

In the absence of a floor price for oil, it would not be so bad if a provincially owned and controlled energy corporation could take backup measures. Reference has been made to the gobbling up of smaller companies in the oil and gas sector by the larger companies, the multinationals. This is a prime time for them to make acquisitions; they have the resources and these troubled companies are going cheap. At least our provincial corporation could acquire those companies, if in fact they have to be sold, at a reasonable price and retain them for the benefit of the people of Alberta. This government has no idea of any such action at all, action which would be a signal blow in their favour for the people of Alberta. Therefore, we on this side of the House say that it is necessary in the absence of such major basic initiatives that at least a minimum price for the commodity should be sought.

The New Democratic Party has been the one that has been consistent throughout. They joined with the government in Ottawa at the time of skyrocketing world prices for oil in saying that the people of Canada should be shielded to some extent from the full effect of that monstrous rise in price. Now they alone take the initiative to say that now that the prices have slumped disastrously for the oil producers in Canada, they in turn should be shielded to some extent from the full effect of that devastation. Yet they go unheeded.

It is a measure that's obviously for the good of the people of Canada and all the more for the people of Alberta.

Perhaps a legacy of mistrust, indeed of envy, that has been sown by arrogant Albertans in the past, particularly in the oil sector, in crowing about their good fortune at the expense of some others is crippling us now. I don't know what it is, Mr. Speaker, but the fact is that in the absence of initiatives such as that, at least we should be trying to establish a minimum price for the major commodity in the energy sector. I therefore urge this House to accept this amendment.

MR. SHRAKE: Mr. Speaker, I wish to speak against this poorly thought out amendment. The Member for Calgary Forest Lawn spoke about the \$50 billion to \$60 billion that the province of Alberta and her people lost when the NDP and the Liberal government in Ottawa forced this province to sell its resources below their true value. But there's no use talking about that; there's no use going into that matter. That money is gone; they've spent it. The NEP and the Liberal government and NDP in Ottawa bought oil companies. They drilled wells in the Arctic. They have spent it, and they left this country bankrupt. There is no money left in Ottawa. They're in debt for \$100 billion or so, so there's no use in pursuing that item.

What are we speaking about? They're saying that they want a floor price. What do they mean, a floor price? If we put a floor price above what the world market is, the Americans aren't going to buy our oil. What are we going to do with it? Store it?

AN HON. MEMBER: Yes;

MR. SHRAKE: We'll put it in your backyard.

What about eastern Canada? We found out before when we had a surplus of oil that if it is a penny a barrel less, they'll buy it from Mexico or from the Arab producing countries. So they're not going to buy our oil. There is no market there. What is left? The only thing I can see left when you say "Put a floor price on it" is right here in the province of Alberta. What are we going to do? Double the price of gasoline at the pump? If that's what the Leader of the Opposition has in mind, maybe he could say that, show the intestinal fortitude to put it in your amendment. Or maybe that's not what he has in mind. Then I'm wondering what it is he has in mind.

Mr. Speaker, I think the record on agriculture speaks very well in this province. We've had problems, and this government has been sensitive. As far as putting a price subsidy on it, the Americans have already cut us off from some of our markets for hogs in places like Washington state, Oregon, and northern California, because they say: "You subsidize it; you can't come in and compete against us." As far as sensitivity of this government to the farming community, when the grasshoppers came this province was very quick to get in with a program to assist them in buying insecticides. We've tried to assist on the purchasing of fertilizer. We had per acreage grants when there was drought. I think we've brought the price of fuel down to the lowest in Canada for our farming community. The per acre grant during that drought period did help. We are sensitive. I think that more than more government the farmer needs a little bit of rain instead. I think it would do a lot more good.

The interest rate stabilization program will get the farmers off this type of problem, where it's 10 percent when you

take the mortgage. You have a short term; it could soar. Often it's a demand loan. It can go up to 20 percent, and it did go up to 20 percent. That's what was breaking our farmers. These are the types of programs that are in the budget. These are the types of things that are going to help the farmers, not a . . . I don't know; maybe we can go in and try to copy what the Americans did in the '50s. We'll pay them to not produce food. Maybe that's what the Leader of the Opposition wants.

I think the programs we have in the budget are good for the farmers. If there is a need for more, our leader has made his commitment. We will bring in more programs when they are needed. Meanwhile, I urge all members: let us not vote for an amendment such as this.

MR. STRONG: Mr. Speaker, I rise to support the amendment made by the Leader of the Official Opposition. Certainly with the difficulty we're facing in the agricultural sector and the energy sector, we in this province do require some fair return for the profit we hope to gain by selling what we do best, oil and food products.

I note with interest that the Minister of Technology, Research and Telecommunications stands and speaks about walls around Alberta. "The New Democrats have come up again with their nonsensical socialist attitude towards things." I don't think that's at all what has been said here. I think what we are asking this government to do is consider going and seeing their country cousins in Ontario and Quebec and in Ottawa, the seat of government, to turn around and say, "We want for Albertans fair returns on the products and commodities we produce in this province."

What are we doing on behalf of the people of the province of Alberta? Have we even made the initiative, made the attempt through the illustrious offices of our Premier to the Prime Minister of this country? They're brothers. They belong to the same party. Have they done that? I haven't heard any initiative being taken by our Premier to turn around and say, "Mr. Mulroney, please be fair with us poor Albertans."

We speak about importing oil and exporting oil. We have spoken for many years in this country of, "Hey, we have to get self-sufficient in energy." I think that by taking the initiative offered in the amendment we will indeed achieve that self-sufficiency that we hope to achieve not only as a province but as a country.

Mr. Speaker, did we ever turn around and not only consider the cost of just importing cheap oil into this country but also ask how much that costs in unemployment, by not having some set floor price for oil in our Canada and our Alberta? We haven't computed the cost of unemployment into that. The cost of unemployment, I'd suggest to our government, is a minimum of each individual tradesman in the construction industry who does not pay \$200 a week income tax anymore but turns around and collects unemployment insurance at \$300 a week. That cost is \$500 a week to keep an individual unemployed. Does that figure into the price of a barrel of oil imported from whoever in Saudi Arabia? What does that do for us as a country? What does it do for us as Albertans?

We have spoken about sharing risks. We are indeed sharing risks, our government in the province of Alberta. Only we're not sharing; we're taking all the risks by turning around and giving our money helter-skelter to oil companies, to drilling companies, that I'd suggest are very, very short-term and are nothing but a band-aid solution to something that requires major surgery and some deep, deep thought

on where we're going in this province as far as economic diversification and creating jobs for Albertans that are going to last for a long time, not something that's just created for six months or a year, where we have a boom and employ people for two years at tremendous wages because of all of the overtime they were offered by contractors, business, manufacturing, processing. We're not achieving anything here. We are giving our money away, billions and billions of dollars of it, and we are getting nothing in return, not even one share, for the money that we are putting at risk as a province, as Albertans. What is this nonsense? Our poor government is doing nothing for Albertans. They have taken the odd good initiative that they stole from the New Democrats. Again, shame.

We speak of where we're going as Albertans. We have in this province, Mr. Speaker, a human resource second to none in Canada. We have the resources in this province. We have the money in the heritage trust fund. If we weren't so stupid we could use it in the way that it should be used, to create employment and prosperity for Albertans, instead of giving it away and investing it in silly things that do absolutely nothing for me as a citizen or any of the citizens in the city of St. Albert, much less the province of Alberta.

The Minister of Manpower has accused us of being the perpetrators of the national energy program. How foolish. The perpetrators of the national energy program certainly were the New Democrats, but it took a Liberal and a Conservative in 1981, clinking champagne glasses when they signed a pricing agreement where Pierre was going to pay off the national debt. We in Alberta were going to put \$80 billion in a heritage trust fund to sit and get dusty and rusty and eaten by moths. We could have earned more money investing in ourselves than investing in government of Canada savings bonds or loaning it to other provinces when we wouldn't loan it to Albertans for lesser interest rates than were being charged at the time.

I still maintain, and I would urge every member in this Assembly to support something that has some common sense to it, something that certainly makes a lot of sense to me and I think makes a lot of sense to Albertans: invest in yourself. Don't take all the risk, get some share in what the benefits are going to be, and get a piece of the pie. Support the amendment.

MR. CHUMIR: Mr. Speaker, I believe it's obvious that the money for one microphone in this House was wasted.

If the hon. Mr. Fox is to be believed, I am the fourth native Calgarian to rise to speak on this issue. Although there is some merit in considering the question of floor prices for Alberta resources, Mr. Speaker, it is the position of the Liberal Party in this House that the motion should not be supported at this time.

The majority party should not celebrate because, in fact, I'm somewhat more critical of their energy policies than I am of those proposed by the New Democratic Party. And basically for the same fundamental reason, it is my belief that both parties' policies have been initiated not as a result of clear and forthright thinking and hard work but rather on the basis of ideology. I'm not going to speak at great length about the energy policies of the government at this point in time. I spoke last night in Calgary, and I intend to get into those matters a little bit later in this sitting.

The ideology we have, that of the Conservative Party, is that anything the government does is wrong and everything the market does is right and that if we have a free market, we're going to be all right. The government was sorely

mistaken in March 1985 when it entered into the western accord. I think it recognizes and is embarrassed about that, and the province is paying very, very dearly for it. I must say that I think it does not do this House or this province any justice to debate current issues and problems on the basis of policies another government imposed or implemented in this country some five years ago. It may be fun; it may be interesting. But that's history, and let's get into discussing the issues and principles and workability of policies, because that's going to serve the interests of people of this province and not ideology.

On the other hand, when I was listening to the hon. Leader of the Opposition not so long ago I thought I was hearing a comedian. Here was somebody talking. This was the New Democratic Party criticizing another party for ideology. It's the old pot calling the kettle black, because if there was ever a party of ideology, that is the New Democratic Party. The ideology we have here — and it's not that your policy is necessarily wrong; the problem with your policy is that you have advanced it because you believe the government can do no wrong.

MR. SPEAKER: Order please. Member for Calgary Buffalo, would you take your place, please. For purposes of the debate, I would prefer that you direct your comments through the Chair rather than dealing with the Leader of the Opposition on a person-to-person basis.

MR. CHUMIR: My apologies, Mr. Speaker.

In any event, it is the ideology that the government can do no wrong that has led the hon. Leader of the Opposition — I assume that that reference through the Chair is appropriate — to the resolution we have before us. It is not that a floor price may not be the right solution for this country and this province at this particular point in time. But anybody who follows energy matters and realizes the complexities of our economy at the present time is aware that this is a very, very intricate problem. Every time you do one thing, you find that it's connected to absolutely everything else in the world.

Let me throw out some questions that require consideration. For example, if we have a price in Canada in which the price of a barrel of oil is \$5 greater than it is in the United States and we export 250,000 barrels of oil a day to the United States, what happens to those sales? We cease to be able to sell that oil. That is something that has to be answered. What about the cost to Canadian industry, if the cost of all of our resources and energy is higher than it is in the nearest neighbour with whom we compete? Do we wish a floor price benefit to go to all companies, large or small, regardless of whether they need it or not? These are very, very difficult questions which must be discussed, and they may be resolvable. The answers may be that we can resolve them and that we should have a floor price.

However, Mr. Speaker, I would say that it is only if and when the hon. Leader of the Opposition and his party can present us with something of substance, not just a 20-minute speech but a thorough, thought-out package which answers these things for the people of this province and the people of Canada, that we should say firmly that that should or should not be our policy.

Mr. Speaker, I say that this is a matter that may have some merit, and it's a matter which should be studied. We have to get down to business and make that study. In the interval it is the policy of this party that the current move to deregulate natural gas prices should be deferred for a

period of a year. That in itself is a form of floor price, but that's for a year while we study the matter. What we need further are not patchwork programs such as those which have been proposed by the government and which end on September 30, but the industry is badly in need of something to tide us over for a two- or three-year period until we can develop some long-term thinking. That long-term thinking can only be developed in conjunction with discussions with Canada and with the United States and probably with Mexico, because this has continental implications.

Mr. Speaker, it is for those reasons that this party cannot support the amendment, although it may be of some merit.

MR. ELZINGA: Mr. Speaker, in speaking to the amendment that has been presented by the New Democratic Party, I'd like to indicate — this won't come as any surprise — that we're speaking in opposition to it. In view of the fact that the Provincial Treasurer has come forward with a very realistic approach for the times we are in as a province — and I'm thankful that this party had the foresight to establish the heritage trust fund so that we would have some savings put aside when we did encounter some economic difficulties.

I must say to the Member for Calgary Buffalo — he suggests that we don't look back to history at all. If I had the history of his party, I wouldn't want to look back to it either. I'd like to say at the outset, too, Mr. Speaker — and I say this very sincerely, sir — that as I mentioned yesterday, I'm impressed by the decorum of this Chamber. I have had the opportunity to serve in the federal House for close to 12 years, and I know that Canadians sometimes find themselves disgusted with the antics that take place there. I think all members can be very proud of the decorum and the composure they present here.

I would like to deal with a few thoughts that the hon. Member for Edmonton Norwood and the hon. Member for Vegreville touched upon. The hon. Member for Edmonton Norwood indicated that he wanted to share with us a number of alternatives he had, a number of alternatives he was going to implement in four years. He indicated to us that the opposition benches were inflated. Well, I should share with him that that's not the only thing that's inflated, because I heard very little by way of concrete proposals. There are a number of great phrases. He suggests that we should have 6 percent mortgages and 6 percent money available to our small business sector and to our agricultural sector, but in the same breath he suggests that we should reduce the budgetary deficit. I would ask the hon. member where the money is going to come from to do that. We are proud of what we have done to date for the agricultural sector, acknowledging that there is more to be done.

We talk about energy, and I see the amendment relates to energy. I can't believe it, Mr. Speaker. After serving in the federal House, where I saw the combined forces of the New Democratic Party and the Liberal Party thrust upon this province a program as it relates to energy that literally raped this province, now you're suggesting that we should have a floor price and get our money back, after it was your parties that implemented it and first stole that money from us as Albertans? That's a real reversal, my friends, of a party position. I share with you, too, that it was not only energy. It was those two parties with their original constitutional debate that were going to make this province a second-class province. As long as I live, I'll never forget the attack that those two parties had upon this individual province.

Again I find myself contrary to the New Democratic Party, Mr. Speaker, in that they indicate they want to deal with ordinary people. We want to deal with ordinary people also, except we feel that Albertans are exceptional people. We've got the greatest people in the land in this province.

I heard mention, too, of the Nystrom Bill as it relates to parity pricing. It's important that we realize what this Bill does. It would only affect about 10 percent of the grain produced in this country. It would have a very minor impact. In fact, the committee under Arnold Malone, the Member of Parliament for Crowfoot, has indicated that our two-price wheat should be at \$10. It's not going to have a major impact, but it is a start. We're encouraged by that start. What they wish to do is have more control of our farming population. They advocate a guaranteed price, and there's nothing I'd like better than to go with that, go with supply management. I would suggest to the hon. Member for Vegreville that he had better mention to his pork producers and his cattle producers in his constituency that he's suggesting to them that they curtail their production and that he is going to set the quotas for them. Mr. Speaker, I am sure that's not going to go over very well with our farming population.

I'm deeply concerned when we play politics with the lives of people. I say this with respect and with restraint. With the hypothetical question that was posed in the House yesterday by the Member for Vegreville as it relates to the so-called hog wars that took place and that were mediated by this government, he was attempting again to aggravate the situation, to create divisions within our pork industry.

Mr. Speaker, we on this side of the House want to conciliate. We want to bring together the various parties so that we can work together for the betterment of this great province of Alberta. We're proud that we've got the lowest input cost as it relates to our agricultural sector. Our Premier has called for a deficiency payment to the federal government. Unlike what the hon. Member for St. Albert has said, we are pressuring the federal government, and we're hopeful that we can work with our federal counterparts to establish something good for the backbone of our province.

To make sure that the record is clear, I want to share with the House a number of initiatives that this government has taken. We can go back through the years, underlying and underscoring the economic initiatives that this party has taken. I commend former ministers of Agriculture in this party for taking such a strong role in ensuring that agriculture did remain the backbone of our economy in the province of Alberta. We look at the establishment of the Agricultural Development Corporation, which presently borrows out an excessive \$1 billion to those farmers as a borrower of last resort. That was established by this party. [interjection] I would hope the hon. member would extend the same courtesy to me as I did to him. Maybe he could share with me how many times I interrupted his speech.

Mr. Speaker, within our department we have a market division which is doing everything it can to strengthen the export of our agricultural products. We've spent numerous millions of dollars on the renewal and expansion of irrigation projects. In 1975 we had the cow-calf loan program, on which we spent \$8 million. We've spent close to \$50 million to date on the Nutritive Processing Agreement. The cow-calf subsidy in 1976 amounted to some \$41.9 million. We look at our farm fuel rebate allowance, which is to the extent of some 64 cents on a gallon of gasoline. We in this province also lead in agricultural research. We've had

the feed grain assistance program. We've also got a program in existence whereby we offset the discriminatory benefit of payment under the Crow [rate]. We've been very helpful to the canola industry. From 1979 to 1984 we spent some \$5.8 million on this industry, with a canola oil tank car lease.

Mr. Speaker, I can go on for a period of time as to what this government has done in the past, but I want to deal with what it's going to do in the future. All one has to do is look at our budget, which was presented last night by the Provincial Treasurer. Our budgetary expenditures for the Department of Agriculture are up 86 percent, to \$595 million. That speaks for itself. That speaks to the commitment that this party has to agriculture, that this party has to reducing the input costs. Because unlike other parties we recognize that there are external forces that come into play as it relates to commodity prices.

Are we suggesting for a moment that — as my hon. colleague indicated earlier — we put up a wall around Canada? If we don't have enough faith in ourselves that we don't believe we can compete on the world market, we're not a very confident people. We on this side are confident of the future of our province and of the future of our country.

DR. WEBBER: Mr. Speaker, in the short time I've been in this particular portfolio, I hesitate to try to outline any solutions to long-term problems in the energy industry. The amendment, which indicates the regrets with regard to any kind of floor pricing, amazes me in the sense that the solution seems to be known in the central part of the House over here. In my brief term here, in talking to industry people, they don't know the solutions either. There's a variety of ideas, a variety of suggestions, depending on who you talk to. So I really am quite surprised that here we have a political party that seems to know what the answers are for Canadians, what the answers are for industry, which really is more government involvement in the industry. Working with the industry and with the federal government over the last few years, we've gone through the process of deregulation. It's what the industry has been wanting. To impose a floor price would certainly go against the intent of the Western Accord, where we were deregulating the industry.

It may be that over a period of time a floor price could be the solution; I don't know. But I think we need to consider a number of alternatives in the process in the next short while. The initiatives that we set forth earlier this year, April 1, and the initiatives that we announced just recently have been criticized by members in the opposition as being of short-term nature. That's precisely what they're for, the short-term. That's why there's a deadline of September 30. That's why there's a deadline of the end of the year, to try to create and stimulate activity in the industry over the summer months so that we can monitor what is going to happen with regard to the pricing situation, so that we have an opportunity to meet with industry people, to meet with other governments, and to get ideas — and yes, ideas from the members in this House from all sides. So, Mr. Speaker, I think it is premature at this time to go along with any acceptance of a floor price.

There are a few points I'd like to make. One was with regard to reversing the intent of the Western Accord. I think the point has also been made with regard ...

MR. SPEAKER: Forgive me for interrupting, hon. minister, but a point of order is supposedly being raised by the Member for Westlock-Sturgeon.

MR. TAYLOR: Mr. Speaker, would the minister permit a question?

MR. SPEAKER: It can be done in the midst of a debate. Would the member please take his seat. Is the minister willing to accept a question from the member?

DR. WEBBER: I would prefer to finish my remarks, Mr. Speaker, and then I'd be happy to entertain a question from the hon. member.

MR. SPEAKER: If it please the minister.

DR. WEBBER: Mr. Speaker, I was commenting that I think there are a number of disadvantages to a floor price, the one point being that in working with industry and going through the process of deregulation on not only the oil side but the gas side as well, this would go against that.

Secondly, it also sets a precedent for a price ceiling, which I gather from the hon. Member for Edmonton Strathcona is what he would be agreeable to as well. Of course, this is essentially what we had with the national energy program, prices that were far below the world price. Also, it can involve a subsidy of the oil prices from general tax revenues, with uncertainty of recouping the costs of that particular subsidy. What level should we establish? It would be completely arbitrary, I would think. If the floor price is too high, the taxpayer and the consumer suffer unduly. If the floor is too low, the scheme is ineffective. It would require the regulation of imported crude and crude oil products to avoid introducing inequities among refiners with differing dependencies on domestic crude. Crude exports and crude refined for product exports would have to be exempt from the floor price if Canada is to maintain a market share.

Mr. Speaker, those are a few of the problems associated with establishing a floor price. Again, I'm not going to say that this is an idea that we have to toss out completely. No, I think it's something we have to consider and to work with the industry. A number of ideas have come forth, one being a cash-flow stabilization program. That was brought to my attention and probably other members in the House as well. Some of the same people who were advocating that same kind of program initially are now thinking that there are some negatives to it, to the point where they're really not sure it's a good idea.

One of the later ideas that has come forth from industry is some kind of equity fund, a mutual fund kind of thing, to have government sharing with the private sector to try to work with the smaller companies or the junior oil companies in injecting some cash flow.

So there is a multitude of ideas out there. We need time to establish a plan over the summer months. With regard to what's going to happen to world prices, I'm sure hon. members get different views from whoever they talk to. There are those who advocate that the prices are going to increase very rapidly in the short term and those who are saying that there's going to be quite a lot this summer with the flood of Saudi Arabian crude on the world market. A number of these scenarios seem to suggest that toward the end of the year there will be a rise in the price situation, establishment in the range of \$17 to \$19; some think higher.

Mr. Speaker, if prices do rise then I think that we have to consider in working with industry whether or not we do need to have more government intervention in the industry. The hon. Member for Calgary Buffalo made some comments.

I generally agreed with most of them. With respect to the deregulation of natural gas, there are many problems to be worked out. As he says, it's a complex problem. It's a complex industry. A number of things need to be worked out together with industry and the federal government and ourselves with regard to deregulating and meeting the objective of the November 1 deadline. I think we should proceed to assume that we're going to go ahead with deregulation on November 1 but monitor that in the upcoming months and, if necessary, consider the possibility of extending the intervening period that we've had between November 1, 1985, and November 1, 1986.

Mr. Speaker, those are my comments with regard to suggesting that we not accept the amendment.

MR. SPEAKER: Before the Chair recognizes the Member for Edmonton Kingsway, is the minister now willing to accept a brief question from the Member for Westlock-Sturgeon?

MR. TAYLOR: My question impinges on the motion, Mr. Speaker, because I think it's very important to know the philosophy of the minister of the party on side. Does he believe that there is a free market in oil and gas — in other words, the market for oil and gas worldwide is set by the free laws of supply and demand — or does he believe that there is a cartel price set by overseas powers?

DR. WEBBER: Mr. Speaker, I hesitate to start expressing my beliefs when we have such experts as the hon. Member for Westlock-Sturgeon, the hon. Member for Calgary Buffalo, and the hon. Member for Calgary Forest Lawn, whose many years at Mount Royal College have made him an expert in the oil industry as well. However, I think there's no doubt; all the information that I have received has recognized the significant impact that the OPEC cartel has on the price of crude in the world. The fact that they have increased production and have been able to lower the market price because of that increased production indicates that they certainly do have an impact. When the OPEC group, meets June 25, I would hope and expect that they may come up with some kind of quota system. However, only time will tell whether or not the members would be prepared to adhere to those particular quotas. In terms of internationally affecting the market, it is obvious that Saudi Arabians in particular have a great influence.

MS BARRETT: Mr. Speaker, I'd like to participate for a moment in this very lively debate, and I'd like to support this amendment in front of us.

It is interesting that the Minister of Energy has just been talking about free market — or not free market, because it just so happens that the first words I have on my page of notes say that we should stop pretending there's such a thing as a free market. It seems to me that after the 1982 election a \$5.4 billion program called the economic resurgence program — I believe was its quaint title — was implemented. That was a lot of money going to the oil companies. I never saw, in fact, declines in the rate of unemployment; what I saw were increases in the rate of unemployment from 1982-84, and we are currently talking about hundreds of millions of dollars more in support packages through royalty relief and tax credits and holidays, that sort of thing.

With agriculture we see a constant need for a number of support programs. It can be crop and hail insurance kick-

ins or taking care of extra expenditures that were caused by a high level of grasshoppers in an area. There are a lot of things that happen in this way. But I keep noticing that there's nothing systematic about our approach. I think the reason we don't have a systematic approach to supporting our essential industries — we are, after all, handing out the money in any case but not in a systematic way. I believe the reason we're not doing these things in a systematic way is because we have a government that simply refuses to acknowledge that we live in a world of a mixed economy. We have a government instead that wants to continue to explore alternatives.

I wonder why the government members fight the truth. There's nothing the matter with organizing ourselves to be systematic in the support that we give to essential industries, particularly if we think that in the long term they are viable, which I'm sure the agricultural sector is and which I'm sure, until the resources are depleted, the energy sector is.

Mixed economies can help stabilize an economy as well, if you do it right. I noticed, for example, that in Europe they use a system called a snake system to help control their currency so that they don't suffer wild fluctuations. It helps them in their planning and it certainly helps them in their trade relations. I would argue that the time you need planning the most is when you are in a time of crisis.

I don't know how to translate the following figure to have it absolutely accurate for Alberta, but I do know that in Texas for every \$1 per barrel drop in the price of oil experienced, 25,000 Texan jobs are lost. I know that things aren't going to get better in the near future. I see \$12.55 per barrel right now, not anything greater than that, and it seems to me that the one type of mechanism available to us which isn't just a knee-jerk reaction to these problems as they appear is to support a minimum oil price. There are ways to do it. You can have import quotas that make sense. You can attract investments by so doing. If you've got a minimum price and people can make money on it, believe me, they're going to come and drill; they're going to want to extract. You can create jobs, which isn't just good for the people who get the jobs, it's also good for the money they circulate in the economy and it also isn't too bad for the government when it's looking at shortfalls in revenues.

So I say let's be systematic through this economic turbulence and start diversifying, using both private and public initiatives and tools. Similarly for agriculture: a quarter of Alberta's farmers are facing financial ruin. We can either take the piecemeal approach or we can make sure that they face parity pricing so they know they're going to get the price for their goods which it cost them to produce those goods, plain and simple. Make sure that the money goes in the right pockets as well.

I had the opportunity to sit in the public gallery for several years as an observer when I was a researcher for the Official Opposition. I remember that alongside nice government buzzwords like "free", as in free market, as in free trade — and I don't understand what's free about it — there was another phrase, and it was just as much of a buzzword. That was; we don't believe in market intervention. But I don't see the difference between what we do right now, what we've been doing to support the oil industry in the last several years, and what we're proposing in terms of market intervention. I don't think there's a real basic philosophical difference, except that we want to be systematic about it. The Minister of Energy acknowledges that maybe it's a good idea. We're saying it is a good idea, maybe not forever, but it sure would help right now.

On the matter of market intervention and market manipulation, I noticed recently that there is a certain skewing of that natural dynamic that Adam Smith tried to describe, with the issuance of provisional certificates of eligibility for company prospectuses to qualify under the yet-to-be-introduced Alberta stock savings plan. That's a tax credit program whereby firms can make dandy dollars from a complicated tax relief scheme. That's market intervention, if you ask me.

The thing is, I worry about that. I worry about it a lot more than I would worry about supporting a floor price for our major commodity of this province, because the members of this Assembly don't even have the privilege of having that Bill in front of them, let alone having had the opportunity to debate it, while potentially unscrupulous operators stand a chance to make a lot of money and not create a single job. I think that's scandalous.

Therefore, I urge the members of this Assembly to approach this matter from a sensible perspective, to support this amendment, to affirm the need for floor prices for Alberta oil and parity pricing for Alberta agricultural products, to stabilize our economy and, in the meantime, help us move on to diversify the economy in the long run.

MR. BRADLEY: Mr. Speaker, I beg leave to adjourn the debate.

[Mr. Speaker declared the motion carried. Several members rose calling for a division. The division bell was rung.]

[Eight minutes having elapsed, the House divided]

For the motion:

Adair	Drobot	Orman
Ady	Elzinga	Osterman
Alger	Fjordbotten	Payne
Anderson	Gogo	Pengelly
Betkowski	Heron	Reid
Bradley	Hyland	Rostad
Brassard	Isley	Schumacher
Campbell	Johnston	Shrake
Cassin	Jonson	Sparrow
Cherry	Kroeger	Trynchy
Clegg	Mirosh	Webber
Crawford	Moore, R.	West
Day	Musgrove	Young
Downey	Oldring	

Against the motion:

Barrett	Martin	Sigurdson
Ewasiuk	McEachern	Speaker. R.
Fox	Mitchell	Strong
Gibeault	Mjolsness	Taylor
Hawkesworth	Pashak	Wright
Hewes	Roberts	Younie
Laing		

Totals:	Ayes — 41	Noes — 19
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MR. CRAWFORD: Mr. Speaker, tomorrow afternoon the Assembly will deal with second reading of Bill 6, the Appropriation (Interim Supply) Act, 1986. If there's time after that, we'll return to the debate on the address in reply.

[At 10:23 p.m., on motion, the House adjourned to Wednesday at 2:30 p.m.]

