

LEGISLATIVE ASSEMBLY OF ALBERTA

Title: **Wednesday, September 10, 1986 2:30 p.m.**

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

PRAYERS

[Mr. Speaker in the Chair]

MR. SPEAKER: Let us pray.

Our Father, we confidently ask for Your strength and encouragement in our service of You through our service of others.

We humbly ask for Your gift of wisdom to guide us in making good laws and good decisions for the present and the future of Alberta.

Amen.

head: **PRESENTING PETITIONS**

MR. SCHUMACHER: Mr. Speaker, I request leave to present the following petition that has been received for a private Bill: the petition of Peter Leveille, Bill Ralston, Denis Home, Terry Norman, and Ernest Stevens for the Maycroft Insurance Company Limited Act.

head: **TABLING RETURNS AND REPORTS**

MR. M. MOORE: Mr. Speaker, I would like to table copies of the annual report of the Alberta Hospital, Edmonton, together with the audited financial statement for the year ended March 31, 1986.

MRS. OSTERMAN: Mr. Speaker, on behalf of the government, I would like to table the second annual progress report on improvements to services to disabled Albertans. This document will keep the House informed regarding the recommendations made by the Klufas task force in 1983. It is our intention to continue this reporting of progress for another three years.

MR. WEISS: Mr. Speaker, I am pleased to table the third annual report from the Advisory Committee on Wilderness Areas and Ecological Reserves.

head: **MINISTERIAL STATEMENTS**

**Department of Technology,
Research and Telecommunications**

MR. YOUNG: Mr. Speaker, I am announcing today the appointment of Blaine Archibald to the arbitration committee designated to settle the toll revenue sharing dispute between the city of Edmonton and the province of Alberta. As a former member of the Public Utilities Board, Mr. Archibald has had extensive experience in telephone and regulatory matters, which will assist the committee in resolving the dispute with a minimum of delay. Mr. Archibald's appoint-

ment, effective today, was required due to the sudden death of Dr. Hu Harries on August 26.

Mr. Archibald was born in Cardston, has practised law, financial and business administration for 20 years. He was appointed as a full-time member of the Public Utilities Board in 1973 and served in that capacity until 1984. In this role Mr. Archibald has had extensive experience dealing with telephone matters.

I am saddened, Mr. Speaker, as indeed are all Albertans who knew Dr. Hu Harries, by the very unfortunate event which gave rise to today's announcement. Dr. Harries was a unique westerner and Albertan. His role on this committee was just one illustration of his many important public contributions. He will be sadly missed by all who knew him.

MR. MARTIN: Mr. Speaker, to reply to the ministerial announcement, certainly we in the Official Opposition recognize that the government had to move quickly after the unfortunate event. As an Edmonton MLA, I would say certainly for all people in Edmonton and all people in Alberta that we hope there will be a speedy resolution of this matter. We certainly wish Mr. Archibald well in his new duties in fulfilling this very difficult resolution to this dispute.

Let me take this opportunity, though, because we haven't done it in the Legislature, from the Official Opposition and, I expect, everybody here, to give condolences to Dr. Harries' family. We know he will be missed by Albertans of all political stripes. Certainly his work on this particular committee will be missed.

head: **ORAL QUESTION PERIOD**

Royalty Rates

MR. MARTIN: Mr. Speaker, I'd like to direct the first question to the Minister of Energy. In answering questions yesterday, the minister skipped around the supplementary from my colleague the Member for Calgary Forest Lawn and would not give this House any assurance that royalty rates will not be further reduced. Given that we're looking at slashing up to a billion dollars from the budget, why will the energy minister not give the Assembly that assurance?

DR. WEBBER: Mr. Speaker, if the hon. member would recall, on June 1, 1985, this government made an announcement with respect to the reduction of marginal royalty rates for both old and new oil and gas, from 45 percent to 40 for old and 35 percent to 30 for new, over a period of time. We had a reduction on August 1 of this year as part of that announcement, and there will be a further reduction next year on August 1 for the completion of that.

We have received a number of proposals over the last months from a variety of sources with respect to actions this government might take with respect to the energy problems of this country, and we are reviewing all those proposals. Mr. Speaker, we are working with the federal government on matters as well to see what further steps can be taken to assist the industry.

MR. MARTIN: A supplementary question, Mr. Speaker. Given that the royalty rates have been lowered a number of times in the last little while, that as the price of the resources decreases our provincial income is going down

too, and that IPAC has estimated our nonrenewable resource revenue will decline by as much as 60 percent, my question is: what possible justification is there for lowering royalty rates even further, as Mr. Masse has asked us to do?

DR. WEBBER: Mr. Speaker, the hon. Leader of the Opposition certainly has put his finger on the problem that we have with respect to looking at what room we have to move with respect to royalty adjustments. During the upcoming weeks, during the budgetary process we will be assessing the income and expenditures for the coming year. Any proposals that have related to a reduction in royalties would have to be considered in the light of that.

MR. MARTIN: I appreciate that, Mr. Speaker, but I'm still not getting the assurances I wanted.

A supplementary question. To move into something more recent, to deal with the revenue, is the minister working on any system at all to try and ensure that the new revenue that should be flowing to the largest companies from the elimination of the PGRT is funnelled into exploration here as opposed to, say, debt retirement or buyout of small companies?

DR. WEBBER: Mr. Speaker, as I'm sure the hon. member knows, the PGRT was a federal government tax. In the announcement in Calgary the other day, the federal minister indicated that as a result of consultations with the industry and his request to have the Petroleum Monitoring Agency monitor prices and investments of the industry, he was satisfied to have the PGRT removed.

MR. MARTIN: It's nice that he's satisfied, Mr. Speaker, but as I think this government did, we always considered that an illegal tax to begin with. It's our provincial resource. That money is now there.

My supplementary question is: is there any monitoring situation by this government rather than the federal government to make sure this is in fact going back into exploration and job creation right here in this province?

DR. WEBBER: Mr. Speaker, it was their discriminatory and odious tax. Why in the world should we be monitoring their tax system now? They've indicated they are monitoring the system. My business with industry groups and umbrella groups was such that I'm confident that money will be reinvested.

MR. TAYLOR: Mr. Speaker, also to the minister, and it's back to the original point on loss of revenues. Central Canadian newspapers reported that the removal of the PGRT constitutes a one and a half billion dollar gift to western Canada. To set the record straight, will the Minister of Energy give the members of the Legislature an estimate of the amount of money that will be freed up when the PGRT is removed?

DR. WEBBER: Mr. Speaker, I have seen those same guesstimates as to how much money would go back to the industry as a result of the removal of the PGRT. Those estimates are beyond the estimates we have. In fact, it's our estimate that approximately \$150 million would go back to the industry this year — assuming \$15 U.S. oil as a guesstimate — and approximately \$400 million next year and around \$200 million for the following year. So it's a far cry from the \$1.5 billion we've been reading about.

MR. STEVENS: Mr. Speaker, a supplementary to the Minister of Energy. I wonder if the minister could assist members by uncomplicating the royalty rate situation and the misunderstanding that may have occurred in Alberta as a result of advertisements before the PGRT removal and what the province has in fact done in the area of royalties for old and new oil.

DR. WEBBER: Mr. Speaker, royalty rates are not the 30 to 40 percent average that we've seen in some editorial columns and other sources. The marginal royalty rates were, as I described earlier, in the low 30s and 40s. Those rates would be approached at high-production wells at high prices. Certainly at today's prices, the gross royalty to this province is 26 percent. When we reduce the royalty tax credits and royalty holidays from that amount, we end up with a net of 15 to 16 percent royalty return to the province.

Fiscal Planning for '87-88

MR. MARTIN: Mr. Speaker, I'd like to direct the second question to the slasher, the Provincial Treasurer. To set the scenario for my questions, I want to quote from *Hansard* of September 8, after the memo. The Treasurer said:

It's not a secret that we have written a memo talking about a set of scenarios. If the member had asked the question directly, I would've been pleased to [answer] it.

I appreciate that. We're going to set the scenario today, because I don't have a memo, Mr. Speaker. I want to talk about the other side of the equation, revenues, now that we know that if we ask direct questions, we're going to get nice direct answers.

Mr. Speaker, in preparing for the 1987-88 budget, what specific new revenue options and targets have departments been directed to present for the budget planning session coming up shortly?

MR. JOHNSTON: Mr. Speaker, obviously, the member must have a copy of that memo too, doesn't he?

MR. MARTIN: Is this the new direct Treasurer's answer?

I guess *Hansard* didn't make much sense, but let's go into some specifics and we'll get another nice direct answer, Mr. Speaker. Specifically, will the Treasurer confirm that targeted options with regard to new sales and gasoline taxes are to be discussed? If so, what sort of figures are we looking at?

MR. JOHNSTON: Mr. Speaker, as I've indicated in the House before, when our government goes through the process of evaluating our strategies, starting right away, of course there are several options open to any government facing the realities we're facing right now in the province of Alberta. Those obviously would include a combination of reviews of the revenue side. In the case of Alberta, because we have been very dependent upon oil and gas or nonrenewable resource revenue to the province, obviously we will have to take the best advice we have with respect to the projections on that side. In working together with my colleague the Minister of Energy, both departments, for example, work long and hard to come up with a scenario on that side.

It has been said by others in this Assembly, including myself, that through the last half of 1986 and early 1987 the results are showing that the price of liquid hydrocarbons

in international markets is firming. Obviously, that assumption, that trend line, will be factored into our revenue expectations.

MR. MARTIN: Mr. Speaker, I take it by that nice direct answer I got back that we are looking at a sales tax and a gasoline tax. I would remind that it's going down.

My question is to the Premier. With regard to the 1987-88 budget, can the Premier now advise what the status is of his earlier commitment that personal income tax rates will not be raised?

MR. GETTY: Mr. Speaker, I don't know what particular reference the hon. member is referring to. It's very clear in my mind though, as I said before the election, during, and since, that there is no intent to change the budget presented to this House and for the '86-87 fiscal year there will be no tax increases. We will continue to have in this province the lowest income taxes of any province in Canada, probably of any area in North America, no sales tax, no gasoline tax, and the people of Alberta will have the opportunity to assist in working their way through the international problems that face us by having the largest disposable income at their command.

MR. MARTIN: By the answer, I guess we can look forward to all these things in the next budget year.

A supplementary question, specifically to the Minister of Hospitals and Medical Care. As he was musing a while ago about medicare premiums, could the minister indicate what the percentage targets are for increases in medicare premiums that are now being discussed?

MR. M. MOORE: I'm sorry, Mr. Speaker; I didn't catch the last part of the hon. member's question.

MR. MARTIN: I hate to wake the minister up. We are talking about revenues and the minister has ...

MR. M. MOORE: Mr. Speaker, it's not a matter of waking up; I simply didn't hear the hon. member mumbling.

MR. MARTIN: Mr. Speaker, I will try to be clear. Watch my lips, please, Mr. Minister.

We've been talking about the revenue side, and the minister previously mused about higher medicare premiums. My question is: could he give us some idea of what percentage targets they're looking at as he prepares his budget to give to the Treasurer?

MR. M. MOORE: I guess the reason I was unable to understand the hon. member is that several times in this House I, the hon. Premier, and the Provincial Treasurer have said there will be no changes in medical care premiums for the current fiscal year. I have also said that the matter of medicare premiums, as any other tax regime, for fiscal years into the future is the subject of a new discussion. That certainly isn't going to be discussed today.

MR. TAYLOR: Mr. Speaker, back to the slasher, the minister of the Treasury. Given, quite understandably, that he does not want to say where his revenues will come from or just where he will be cutting the budget, as a good Treasurer I'm sure he must have a deficit target that he wants to work with. Would he share that with the House? Would he tell us what deficit he's working towards next year?

MR. JOHNSTON: Mr. Speaker, in a variety of cases, we have indicated from our government side that we do not enjoy having deficit budgets. But during this period when in fact the province of Alberta can sustain a deficit, because of world-driven forces on energy and agriculture, we think we may have to live with a modest deficit. Mr. Speaker, as soon as you start setting targets or you have a single-line or a multiple-criteria evaluation, obviously that target becomes a reality.

So we will have to work through the process, as we've been trying to explain to all hon. members. We will look at a set of scenarios based on some reasonable expectation of what might happen with a zero, a 5 percent, and a 10 percent reduction, examine what might take place in those instances, and then examine ourselves in terms of where we want to stand in terms of the priorities.

I might say, Mr. Speaker, that over the past week, since the hon. Member for Edmonton Norwood is helping with this problem, I've had nothing but positive response from the people of Alberta.

MR. R. SPEAKER: Mr. Speaker, my supplementary question is to the Premier, and it relates to the scenarios outlined by the Provincial Treasurer. In terms of the Heritage Savings Trust Fund and its relationship with the general revenue budget, would it be the intent of the Premier to consider changing the present formula now used where 15 percent of the revenues from various resources are maintained by the Heritage Savings Trust Fund? Would that formula be changed?

MR. GETTY: Mr. Speaker, the problem is that all of these matters are parts of a variety of options that would be considered in coming to a conclusion on a future budget which obviously does not get discussed publicly prior to its presentation. We owe it to this Legislature to do that when it has been completed. All of the various considerations that go prior to that are not discussed publicly.

MR. SPEAKER: That is indeed correct.

Grain Handlers' Strike

MR. TAYLOR: Mr. Speaker, this is also to the Premier. Yesterday all the members of this Legislature agreed that steps must be taken to halt the grain handlers' strike. The Liberal opposition, of course, supports the Premier in his efforts to communicate to the Prime Minister the urgency of resolving this matter. Would the Premier care to share with the Legislature the specifics of any discussion he had with the Prime Minister yesterday and today?

MR. GETTY: No, Mr. Speaker. I gave the general impact of my discussions. My conversations with the Prime Minister, I think, must of necessity remain private.

MR. TAYLOR: "Hi, how's Mila and the kids?" sort of thing I guess.

Mr. Speaker, to the Premier. What commitment has the Premier received from the Prime Minister that steps will be taken to ensure that a strike/lockout does not spread to the west coast, given that a longshoremen's strike/lockout at Vancouver and Prince Rupert has been imminent?

MR. GETTY: As I advised the House yesterday, Mr. Speaker, and it was supplemented with additional information

by the Minister of Agriculture, we talked to the federal government. The Prime Minister convinced me that he was very concerned about this matter, was dealing with it on a day-to-day basis, and would, of course, deal with future events on the same basis. I would not want to speculate on hypothetical situations in the future.

MR. TAYLOR: Mr. Speaker, I hope he will strike while the iron is hot before the Pembina by-election is over.

Will the provincial government assist farmers in the extra costs that they're going to incur as a result of the Canadian Wheat Board emergency plan to send grain shipments by rail all the way around to the St. Lawrence? Are we going to come up with a plan in conjunction with the federal government to aid the farmers with that extra cost?

MR. GETTY: Mr. Speaker, it's a completely hypothetical question.

MR. TAYLOR: Mr. Speaker, I don't see how he can say it's hypothetical. The trains are rolling right now. It's going on now. It's very much in. Am I allowed to rephrase it again and give the Premier a chance to rethink that one?

MR. SPEAKER: That's what the member is supposed to be doing with this supplementary.

MR. TAYLOR: What are you going to do if they keep saying it's hypothetical when it isn't?

All right then, Mr. Speaker, let's try the Minister of Agriculture. Has the Minister of Agriculture contacted the minister responsible for the Wheat Board about the possibility of Alberta Terminals Ltd. receiving a contract to clean grain for export in order to ease the impact of the strike on Alberta farmers?

MR. ELZINGA: Mr. Speaker, it's our understanding that Alberta Terminals will be contacted, if they have not already been, to do whatever work that is necessary to clean grain prior to its shipment so that the grain will be cleaned inland prior to going to unit trains.

MR. HYLAND: Supplementary question, Mr. Speaker, to the minister of economic development. After my question of Friday last regarding the possible movement of grain through the Mississippi system and now that the task force has been formed by the federal minister responsible for the Wheat Board, I wonder if the minister has contacted that task force to see if they would be interested in moving the grain down that system.

MR. SHABEN: Mr. Speaker, I have not personally contacted individual members of the task force, but our department has been in touch with individuals involved in the Grain Transportation Agency and the Wheat Board who co-ordinate the movement of cars for the delivery of grain to ports.

MR. R. SPEAKER: A supplementary question, I believe to the minister of economic development as well, in terms of Alberta Terminals Ltd. Has a contract been struck with the Canadian Wheat Board or extended so that adjustments can be made in terms of this emergency situation?

MR. SHABEN: Mr. Speaker, not that I'm aware of. My colleague the Minister of Agriculture and I have met with the chairman of ATL to discuss a variety of options where

we can utilize Alberta Terminals' facilities at Lethbridge, Calgary, and Edmonton to greater advantage. We feel, as many do, that the throughput of those terminals is less than what it could be. So we've had these discussions, but there has not yet been a determination by the Wheat Board as to whether or not some further permission can be provided to ATL with respect to their ability to act as agent for the Wheat Board.

MR. MARTIN: Mr. Speaker, just to the Premier. Recognizing that the First Ministers are getting together for free trade talks — I believe it's the 17th — has this particular item also been put on the agenda for that conference?

MR. GETTY: Mr. Speaker, the agenda that we will be working for doesn't specifically deal with this matter, but if the issue is still urgent, I think the occasion will give us a chance to deal with it.

MR. R. SPEAKER: Mr. Speaker, my question is to either the Premier or the Minister of Agriculture. It's relative to yesterday's resolution which we passed unanimously in this Assembly. Could either the Premier or the minister indicate what dispensation has taken place with regard to that resolution? Has the appropriate minister in Ottawa or the Prime Minister been contacted?

MR. GETTY: Mr. Speaker, the Minister of Agriculture may well wish to supplement this, but I have not had an opportunity to deal with it.

MR. ELZINGA: Mr. Speaker, we relayed to the appropriate minister at the federal level the resolution, the Premier's statement, and our own ministerial statement so that they are aware of what this Assembly did yesterday.

MR. R. SPEAKER: Mr. Speaker, to the Minister of Agriculture. In terms of the next two or three days or between now and next Monday, could the minister indicate what other specific steps will be taken so that the Minister of Agriculture is continually making representation for Alberta farmers with regard to this specific item, the strike/lockout at Thunder Bay?

MR. ELZINGA: Mr. Speaker, we're going to follow exactly the suggestion that the hon. member has put forward. We are going to continue making representations to ensure that they are aware on a continuous basis of the urgent and pressing necessity of the Thunder Bay situation being cleared up.

MR. R. SPEAKER: Mr. Speaker, a supplementary question to the Minister of Agriculture. In the remarks of the minister yesterday, referring to Thunder Bay, the minister indicated that the work stoppage will really begin to hurt us at the end of this week or the beginning of next week. Could the minister indicate whether there is information available to him at this time showing that no action on the part of the federal government or the union or the respective companies will result in a loss of sales to Russia, that some \$260 million sale or that 2.5 million tonnes of grain?

MR. ELZINGA: I'm sure, Mr. Speaker, the hon. member can appreciate the difficulty that one does have in projecting what the future will hold, and I'm not about to do that at this time. I indicated that there is a strong probability in

the event that the strike is not resolved and if we do not find alternate channels for the delivery of our grain, we could lose some of those offshore sales. There has been action taken already whereby the minister has indicated that he is going to develop alternate routes, and I gather that the commitment has been given that with the development of these alternate routes, we will live up to our offshore grain sale commitments.

MR. R. SPEAKER: Mr. Speaker, a final supplementary to the minister. Could the minister indicate what type of co-ordination is going on between his office and the office of other ministers of agriculture in western Canada to bring an end to the strike with a co-ordinated effort by these western ministers?

MR. ELZINGA: We in our office talked to the office of the agriculture ministers in Saskatchewan and Manitoba, and to date, to my knowledge, the agriculture minister from Manitoba has not seen fit to return our calls. When he does, we will happily inform the House.

We are attempting to co-ordinate our activities. I know that all individuals within western Canada, including the Minister of Agriculture for Manitoba, are concerned about this, and I don't indicate that by way of indicating his lack of concern, because he obviously is very concerned also. We're all hoping that initiatives will be taken at the federal level whereby we will have the situation resolved.

MR. TAYLOR: Mr. Speaker, to the Minister of Agriculture. Possibly he'll remember when we had a coal strike some years ago with delivering coal through the northern tier of the United States. Could the minister tell me whether he has thought of or he has anybody in contact with the northern railroad in the United States to take wheat down into the Great Falls area, then across north of Seattle, Bellingham, and that area to the ports?

MR. ELZINGA: Mr. Speaker, maybe the hon. minister for economic development might like to supplement the answer, but I can assure the hon. member that individuals within our department are constantly working on this, looking at the various alternatives that are available so that we can on a continuous basis offer concrete suggestions to our federal counterparts under whom this jurisdiction lies.

MR. SHABEN: Mr. Speaker, I make reference to the point that's been raised by the Member for Westlock-Sturgeon. The difficulty is that there is not rail access to the Burlington Northern, so it's pretty difficult to connect.

Hazardous Waste Symposium

MR. YOUNIE: Mr. Speaker, for the Minister of the Environment. On August 27 the minister stated that a delegation of experts from Alberta would attend a conference on special waste management in Denmark. Yesterday we were amused with the number of comments from the Treasurer about sound fiscal policies and good management practices. In view of the fact that the minister and agencies under his control have been busy calculating how a 10 percent budget cut would affect the department, will the minister explain how having the Crown pay transportation costs to send the publisher of the *Barrhead Leader* to a technical conference in Denmark classes as either sound fiscal policy or good management practice?

MR. KOWALSKI: Absolutely, Mr. Speaker. I'd be delighted.

Mr. Speaker, when I accepted the oath of office to become the Minister of the Environment on May 26, I indicated that one of my responsibilities would be to ensure that there would be communications with the people of Alberta with respect to those matters that fall under the ministerial portfolio I have, and it came to me, as a result of a number of consultations, that the editor of the *Barrhead Leader* is a very prominent board member with the Alberta Weekly Newspapers Association. It also happens that the Alberta Weekly Newspapers Association will be holding — I guess it's their annual fall convention September 19 or 20. Coincidentally, there is an international conference in Denmark on special wastes.

Now, the editor of the *Barrhead Leader* exercised good offices in the spring of 1986 to arrange that the editors of all the local weeklies in the province of Alberta would have an opportunity to get a firsthand briefing by representatives of the Alberta Special Waste Management Corporation. The feedback I got from a multitude of editors throughout the province of Alberta is that they thought the opportunity was very helpful in terms of the conveyance of public information and knowledge with respect to what the objectives of the Alberta Special Waste Management Corporation are all about.

So what is happening in the month of September is now a follow-up, a conclusive second approach to convey information to the people of Alberta. I've asked the editor of the *Barrhead Leader* to make an arrangement to write a series of information articles with respect to what is happening on the international scene and the leadership role that the people Alberta are taking in this particular regard and to make those articles available at no cost to the weekly newspapers in the province of Alberta.

MR. YOUNIE: Thank you for that brief bit of information. I'm sure all members appreciated it, as we appreciate that all news media should be kept informed on such an important topic.

I'm wondering why the minister would choose to send a journalist rather than what I would consider a more appropriate practice of sending a highly trained specialist from his department who would then issue a series of news releases fairly to all news media, including the daily papers, the TVs, and so on?

MR. KOWALSKI: Mr. Speaker, in one of the scrums that occurred in the last month after I had indicated in the House that this international symposium was occurring, I in fact suggested to a couple of reporters with major newspapers here in the province of Alberta if they were interested. I got no response other than that it would be up to their editors. I don't know.

The important point of all this is that I want to talk about this business of information and this business of credibility. There has been a feeling that some of the information that has come from the Department of the Environment may have been suspect in the views of some; we've heard those debates in this Assembly this year, and we've heard them before. We now have an independent editor, who's responsible to no one, who will be going on behalf — and there's been no instruction to the individual gentleman to write any kind of article other than his observations and to highlight what the province of Alberta has done in the area of special waste management and to come back and, hopefully, write a series of articles from

an information point of view that will be conveyed free of charge to the other weekly newspapers that don't have these multimillion dollar budgets to allow them to go and do this sort of thing.

MR. YOUNIE: Mr. Speaker, it seems to me that an expenditure by a corporation usually presumes an earned return. I'm wondering, in terms of the answer the minister just gave, what the Crown corporation is expecting to get in return for the expenditure of the transportation costs.

MR. KOWALSKI: An informed populace, Mr. Speaker.

MR. YOUNIE: Mr. Speaker, on August 27 the minister said he would ask the Crown corporation to send representatives and that they would talk to Swedish representatives. He's also said today that in fact he did have input to the decision to send this journalist. I'm wondering if, when the minister agreed to pay the transportation expenses, he didn't consider that whether it's accurate or not it would not create the appearance that the journalistic freedom of this journalist might have been compromised.

MR. KOWALSKI: Well, I think the Speaker has indicated that that's an opinion. I would like to have the member be assured that a very important part of the concerns I had was in fact exactly that that kind of question would be asked. If individual members would like to read back copies of the *Barrhead Leader* over the last number of years, they will read editorial after editorial written with respect to the Alberta Special Waste Management Corporation; they were all negative, by the way, all very, very critical. Unfortunately, they were all based on misinformation.

I found that as a result of the opportunity to learn firsthand, it's amazing how the information has changed. But if the hon. gentleman is suggesting for a moment that the MLA for Barrhead, or in this case the Minister of the Environment, can influence the editor of the *Barrhead Leader*, then I think that's perhaps a statement the hon. member should make outside the House. Hopefully, that will then give the editor of the *Barrhead Leader* an opportunity to respond.

It should also be known that the editor of the *Barrhead Leader* is also the brother-in-law of the former member for Spirit River-Fairview. What are these connections?

MR. SHRAKE: A supplementary question, Mr. Speaker. Could the minister request his editor of the *Barrhead* newspaper to also send this material to some of our big-city newspapers so they can perhaps put this information out and relieve some of the fears created by this group over here over PCBs and all their horror stories?

MR. KOWALSKI: I would like to thank the hon. member for that excellent advice and will convey it by way of a suggestion rather than by way of a directive.

MR. TAYLOR: A supplementary, Mr. Speaker, to the minister. In this particular newspaper there's a column that often runs by a columnist signed by the name of K. Kowalski. Is there any possibility that he's related to the Minister of the Environment?

MR. KOWALSKI: Mr. Speaker . . .

MR. SPEAKER: Sorry, hon. minister.

MR. KOWALSKI: The answer is yes.

MR. SPEAKER: Thanks. The question is clearly out of order. Could the House come back to what the business of the House truly is.

Petroleum and Gas Revenue Tax

MR. CHUMIR: Mr. Speaker, I have a question for the hon. Minister of Energy. While the PORT has been ended effective October 1, 1986, the fact still remains that the federal government has taken hundreds of millions of dollars out of the Alberta economy by means of this tax between January and October of this year at a time when the industry has been in crisis. This is clearly unacceptable. On top of this, consumers benefitted to the tune of \$56 billion when our oil prices were kept below world levels. The question is: what action is the government taking to see that the federal government returns to our oil and gas industry these hundreds of millions of PGRT dollars levied between January and October of this year?

DR. WEBBER: Mr. Speaker, I was concentrating on the dates that the hon. member is referring to. I think he gave us some wrong dates on the elimination of the PGRT. In any case, it's October 1, 1986.

With respect to seeing that tax go, we're all happy to see it go. No representation is being made to the federal government about any other aspect of it. We welcome the removal of it.

MR. CHUMIR: Has the federal minister of energy clearly indicated to the minister whether the federal government is prepared to help our industry further by means of participation in a stabilization or other program in light of the money they have collected under the PGRT and otherwise, or are they just going to wash their hands of us with the announcement of the elimination of the PGRT effective October 1?

DR. WEBBER: Mr. Speaker, the fact that when the Premiers from across the country were here a few weeks ago they recognized that the problems of the industry were a national problem that requires a national solution and the fact that that was recognized by the hon. federal minister in Calgary earlier this week . . . We are continuing discussions with the federal government. In fact, discussions are going on this week with respect to a particular proposal that we put before the federal minister the last time I met with him. Those discussions are analyzing the details of the proposal. I anticipate that we'll be having discussions with the federal minister very soon.

In addition, Mr. Speaker, as the hon. member knows, there are a number of umbrella groups, the CPA, the IPAC group, SEPAC, and many others, that are making representations to the federal government as well with respect to what they consider to be steps that the federal government should take, including those of taxation incentives.

MR. CHUMIR: Mr. Speaker, a supplementary. Could the minister tell this House and the people of this province why the government is not pressing the federal government with respect to the amount of the PGRT levy up to October 1 of this year? Are they just going to allow the federal government to enjoy the benefit of their delay in eliminating that inequitable tax?

DR. WEBBER: Mr. Speaker, the hon. member across the way is acting holier than thou about the PGRT when his government imposed it upon us in the first place and is now taking us to task because we should go back and get some retroactivity to it. We're happier than the dickens that the thing is gone. We're not asking for any retroactivity to it. We're glad that it's gone, the industry is glad that it's gone, and we're going to go on from here.

MR. CHUMIR: Mr. Speaker, let's indeed look to the future. Does the government have a target date for the stabilization program to which it's alluding? Industry sources indicate that there is a mysterious rumour going around that September 25, just before the Pembina by-election, is being targeted.

MR. SPEAKER: Hon. member, let's not debate. The question has been asked, and then you've gone into debate. Minister, respond to the first question, or "the" question.

DR. WEBBER: I didn't know he had a first question in there, Mr. Speaker. With respect to a date, the answer is no, but we want it to be soon.

MR. MARTIN: Mr. Speaker, we're still not sure what "cash stabilization program" means, but the minister has said now that there's a particular proposal before the federal government. Could the minister at least indicate and give us some estimate at this point how much this particular program would cost the Alberta Treasury?

DR. WEBBER: No, Mr. Speaker.

Securities Commission

MR. McEACHERN: My questions are for the Minister of Consumer and Corporate Affairs or her designate. Do we have one? In that case then we will go straight to the Premier with the questions.

The national contingency fund will compensate investors who lost money by the closure of First Commonwealth Securities, but it will not help those who hold the now worthless Audit and North Sun shares. Given the regulatory role of the Alberta Securities Commission in allowing the trading of Audit shares to continue for several weeks, what steps if any has the minister or the government taken to arrange compensation or assistance for those investors who now hold these worthless shares?

MR. ADAIR: Mr. Speaker, as the acting minister, I'll take that question as notice and see that the minister responds.

MR. McEACHERN: Thank you.

Mr. Speaker, a follow-up question. Widespread reports indicate that 12 companies that traded on the Alberta Stock Exchange were selling short in the Audit shares to the tune of some 640,000 shares. How does the minister justify that this issue was only investigated behind closed doors by the Alberta Stock Exchange, rather than in open hearings by the Alberta Securities Commission?

MR. ADAIR: The same applies.

MR. McEACHERN: We'll get a long way fast.

AN HON. MEMBER: Why don't you wait until the actual minister is here?

AN HON. MEMBER: Put it on the Order Paper.

MR. McEACHERN: It's okay. I didn't know she wouldn't be here before I came into the House.

MR. SPEAKER: Hon. member, order please. If you'd like to ask your questions, please proceed. I have a number of others, including your own colleagues, who would very much like to get into question period.

MR. McEACHERN: Over 5,000 investors with over \$5 million in investments have been tied up by the cease-trade order in First Commonwealth. Given the number of unanswered questions in this affair, will the minister's overall review of the Securities Commission, which she has promised, include a detailed review of the role and actions of the commission in the First Commonwealth affair?

MR. ADAIR: Ditto.

MR. McEACHERN: My last question is to the Premier. Given the important position of First Commonwealth on the Alberta Stock Exchange, what steps is the Premier taking to review the government's policy on enhancing the Alberta capital market to ensure that there are major Alberta-based brokerage firms operating on the exchange?

MR. GETTY: Mr. Speaker, as was pointed out to the hon. member, these are properly within the purview of the minister responsible for the Alberta Securities Commission, and she'd be happy to deal with them when she returns.

MR. TAYLOR: A supplemental, Mr. Speaker, to the acting minister. Would he also add to that list the reason for — and this is back to the original question — compensation for shares of companies that folded that were authorized by the government department here? What is the procedure or what is in the books for recompensing those that lost money or were wiped out with their shares of Tower Mortgage?

MR. ADAIR: Yes, Mr. Speaker. I'll take the question as notice, pass it on to the minister, have her review *Hansard*, and respond.

Public Health Appeal and Advisory Board

MR. HAWKESWORTH: Mr. Speaker, my questions are to the Minister of Community and Occupational Health, regarding the Public Health Appeal and Advisory Board. In July that particular board heard an appeal regarding an operating permit granted to the BFI company for a landfill site south of the Calgary city limits. During that hearing one member of the board was forced to disqualify himself by reason of an unwarranted attack on a witness for the city of Calgary. Would the minister advise the Assembly what qualifications are needed to be appointed to this board?

MR. SPEAKER: The time for question period has expired. Do we have unanimous consent to finish this line of questions?

HON. MEMBERS: Agreed.

MR. SPEAKER: Opposed? Hon. minister.

MR. DINNING: Mr. Speaker, I don't have the Act before me, but I believe the qualifications of the board are those

people who are interested citizens of the province who have an interest in serving on a body of this kind; people who would reflect and represent the broad interests of all Albertans and who are willing and are committed to serve.

MR. HAWKESWORTH: Mr. Speaker, I think the minister would agree with me that landfill sites are a necessary evil of living together in a modern society, so more of them should not be approved than are absolutely required. Given that no particular technical qualifications seem to be needed for membership on this board, why was no technical evidence tabled before the board by the provincial government indicating that this landfill site was absolutely required?

MR. DINNING: Mr. Speaker, I don't think it's my responsibility to get into the technical merits of the decision by the board. It sought and received the advice that it chose to seek and on the basis of that information made a decision.

MR. HAWKESWORTH: Mr. Speaker, the landfill operating permit was originally issued in a somewhat secret way by the local board of health without a public hearing. Affected parties, which included the city, were not represented at the time the decision was taken, and as the minister knows, this was all perfectly legal. Is the minister going to change the regulations to make it mandatory for any local board to hold public hearings before operating permits are issued so that interested parties can make their views known before crucial decisions are made?

MR. DINNING: Mr. Speaker, I appreciate the suggestion by the hon. member. I'll take it as a suggestion and consider it in the days ahead.

I should point out, Mr. Speaker, that there are procedures; there is a process following a public decision by a local board of health, and that process, whether it's to the Public Health Appeal and Advisory Board or through the courts, is there. It was used and, as a matter of fact, part of the process is still under way and is before the courts, and that is expected to be heard in the courts later in the fall. But another part of the matter could be heard and was heard by the board. Quite properly, the appeal was considered and a decision was made.

MR. SPEAKER: The Chair hesitates to interrupt, hon. member, but there's some concern. Is the matter before the courts at this moment? The Chair has no knowledge of that.

MR. HAWKESWORTH: Mr. Speaker, the matter of the operating permit is not at present before the courts, which is why I restricted my questioning to the matter ... Thank you, Mr. Speaker.

Mr. Speaker, to the minister. I think that minister will recognize it's important that before administrative decisions are made and before a city is faced with a fait accompli, they know what's happening. If he's not prepared at this point to make public hearings mandatory, does he have any other alternative proposal to make which would keep in mind the rules of natural justice governing decisions of local boards of health?

MR. DINNING: Mr. Speaker, if the member wants to criticize the procedures of some 27 boards of health or local health unit boards and wants to suggest to each or any of those 27 boards how they ought to conduct their

operations and if he doesn't like the way the Calgary board of health has operated in this matter, then I'd suggest he direct that matter to that board. That board has the responsibility. It's a local board, it's an autonomous board, and the member knows full well from previous incarnations just exactly how that board may operate.

MR. HYLAND: Mr. Speaker, to the minister. I wonder if the minister could inform the Assembly who appoints representatives to the boards of health in this province.

MR. DINNING: Mr. Speaker, it varies amongst the 27 jurisdictions. If I'm not mistaken, any number of boards have elected members. In the case of Calgary, that is the case. As well, there are citizens at large who are chosen by the local city council. So we have a great deal of faith in those members who are willing, able, and committed to serve on those boards, and I respect their autonomy in making the decisions which they're responsible for making.

ORDERS OF THE DAY

head: GOVERNMENT BILLS AND ORDERS (Second Reading)

Bill 27

Alberta Health Care Insurance Amendment Act, 1986

MR. M. MOORE: Mr. Speaker, first of all, I'd like to say with respect to the agreement we have reached with the Alberta Medical Association to end extra billing in Alberta effective October 1, 1986, that that agreement could not have come about had it not been for the very effective way in which Dr. Doug Perry, the chairman of the Alberta Medical Association, members of their provincial executive, and the staff of that organization conducted the negotiations which led to the agreement. I would also want to pass on my comments of appreciation to those doctors from every end of this province who supported in very, very large numbers the agreement which we had reached. I believe it is indicative of the strength of commitment of Alberta's medical profession to health care in this province that allowed us to reach this kind of agreement without the kind of difficulty which we witnessed in Ontario.

I'd also like to thank the members of my staff who worked hard and long both in my office and in the department, including the Deputy Minister Alex McPherson, for their outstanding work in coming to an agreement of this nature. I'd like to make mention of the government caucus who, over the course of a couple of months, supported my efforts very strongly in terms of the nature of the negotiations and how we would arrive at a conclusion. I would be remiss if I didn't say to members of the opposition that I also want to thank them for their patience during the time when I was saying that someday we would complete our negotiations. I say that with a fair degree of respect for their position, but I also want to thank them for understanding that the end result, in my opinion, would be better had we discussed it privately between the medical association and myself at some length and come to a conclusion without having the matter debated in public. There are other times when the other situation may be more appropriate. So to all the Members of the Legislature, I appreciate the way

in which you supported and conducted yourselves throughout this difficult time that we were faced with in meeting the terms of the Canada Health Act.

Before concluding, I'd now like to deal with two or three concerns that have been raised since we signed the agreement with the Alberta Medical Association. First of all, a number of medical practitioners have written inquiring about and expressing concerns about the deinsurance of certain medical services under the health care insurance plan. Most notably they have expressed concern about the deinsurance of the removal of warts, keratoses, and nevi. They have also expressed concern about the deinsurance of plastic surgery.

I want to make it abundantly clear today that the deinsurance of these items is only when they are not medically required. The decision as to whether or not a particular service is medically required is left up to the physician who is in fact looking at the patient. So we would expect that no one would go without these kinds of services under the medical care plan if they are medically required. A very good example is that plastic surgery required as a result of illness or accident would certainly be covered under the medical plan, while plastic surgery that was purely for cosmetic purposes would not be. We have no way of deciding how we're going to judge that from the health care insurance plan offices, so we're depending on the integrity of the medical profession to determine when something is medically required and should properly be charged to the health care insurance plan, within the rules we have provided. We trust that they will act in good faith in that regard.

The other area that has drawn a good deal of concern from certain members of the medical profession has to do with services provided to our citizens for eye care and the provision of eyeglasses and so on: optometry and services provided by ophthalmologists. Let me say at the outset that this agreement made no changes whatever to the fees provided to optometrists or ophthalmologists under the Alberta health care insurance plan. The only change it made was that ophthalmologists, who are regarded under the Canada Health Act as physicians, will no longer be allowed to extra bill, while optometrists, who are in the same class as physiotherapists, chiropractors, and some others, are outside the Canada Health Act and will still be able to extra bill. That was the only change made.

The facts of the matter are that optometrists and ophthalmologists have, for a number of years, been getting a different payment from the Alberta health care insurance plan. That resulted from the fact that the plan has been establishing the fees for optometrists for standard eye examinations — refractions, they're called — while the fees for ophthalmologists have been established by the Alberta Medical Association. For a number of years, the government has provided a lump sum of funds for the Alberta Medical Association members, or physicians, and the Medical Association has had the responsibility of dividing those fees among its professions and the various services. The result is that there is roughly a \$10 difference — from \$23 to \$33 or something of that order — in the amount paid by the health care insurance plan for a standard eye examination by an ophthalmologist compared to one by an optometrist, with the optometrist getting the smaller fee. Both of them have been consistently extra billing on top of that.

On the one hand, the optometrists argue that they provide at least equal and perhaps superior examinations with respect to standard eye examinations; on the other hand, the ophthal-

mologists argue that they have a great deal more training and that when they do standard eye examinations, they also examine the patients for other kinds of things in terms of eye diseases and so on and they ought to be paid more. I have not yet gotten into trying to referee that argument or decide who is right or wrong. I have said that I recognize there is some substantial difference between what each profession is paid under the health care insurance plan, and it will be my desire to establish a committee involving members of the optometry profession for certain, ophthalmologists if they so desire, and members of my health care insurance plan, to see if over the course of the next few months we can come up with some resolution to this matter which might then be implemented the next time we have a major change in the health care insurance plan's fee schedule. If we follow the normal practice, that is July 1, 1987.

In the meantime, I think all members of the Legislature could assure their constituents that the profession of optometry is not going to disappear. There are about 60 ophthalmologists in Alberta. From the records I have, it would be fair to say that they are all quite busy. There are about 200 optometrists in Alberta, and they are all quite busy. Having a period of time a situation where patients would pay no extra bill to go to an ophthalmologist, as opposed to being extra billed by an optometrist, could create a situation where the profession of ophthalmology would be doing all the standard eye examinations. That would take some years to accomplish. So I don't expect anything dramatic to happen on October 1.

My constituents, who are located at least 250 miles from the nearest ophthalmologist, will still go to an optometrist for their standard eye care because that is the most convenient. They're not going to drive to Edmonton to save \$10. The same occurs with respect to citizens in this city or Calgary, where there are ophthalmologists, when it comes to the waiting time that would occur if they all went to the ophthalmologist's office.

So I hope none of you are stampeded into action by those in the optometry profession who suggest that the world is going to come to an end on October 1. It isn't. If they really and truly believe it is, they might consider reducing the amount of extra billing they actually do or eliminating it altogether for a while, because I believe that even at the rate we pay in the Alberta health care insurance plan it's possible they could make a fairly adequate living.

Having said those things, I want to just conclude by saying on this subject that I'm pleased with the general support of physicians across the province, and the general public has been extremely positive about the move we've made here.

Finally, I want to say as well that while we have successfully and without any great degree of difficulty in the health care system been able to accommodate the terms of the Canada Health Act, we have not made any progress at all in terms of what very obviously must be the responsibility of everyone in this Legislature; that is, to determine how we can control the rapid increase in health care costs.

Health care insurance plan and hospital costs in this province on average, taken together or apart, have been rising over the last half dozen years at about 15 percent a year, far above inflation and population figures. The percentage of the provincial budget that is used for the health care system in the department I am responsible for has been increasing each year as well. All members need to think about ways that we can reduce that increase for a very

simple reason: so we can continue to afford the health care system we've had over the last number of years. I'll be looking forward over the course of the next few months to suggestions and input from members of the Legislature and the general public in that regard.

Mr. Speaker, I conclude by asking all members to vote in full support of Bill 27.

REV. ROBERTS: Mr. Speaker, I feel especially privileged to speak on this historic occasion in support of the fundamental principles, which is what I thought second reading was to do. The fundamental principle on which Bill 27 is based is a principle which of course we in the New Democratic Party and socially democratic, progressive people throughout Canada have been advocating for the last 30 years. It's a principle that says that the principles of the entrepreneurial marketplace have no place in the principles of a compassionate and resourceful society that cares for its sick members. We have this same principle embodied in this Bill, especially in section 5.2(2), where it says:

No physician or dental surgeon shall charge or collect from any person an amount in addition to the benefits payable by the Minister with respect to insured services ...

This is the principle in those few short words, Mr. Speaker, a principle that, as the minister has already said, a lot of blood and sweat has been exacted over, but one which I can't wait for all parties and members of this Assembly to support in principle this afternoon. The principle we're talking about is that of universal access to our public health care resources without regard to a sick person's ability to pay and without tolerance for any entrepreneurial doctor's ability to use a person's sick condition to advance his or her income — no more extra billing. I'm gratified by the minister's continued reference to it as "extra billing," not "balance billing", as some of the medical profession prefer to call it, or what we might call "the surcharge on the sick." But it is extra billing, and we're pleased to see that it no longer exists in this province.

Let us not forget, Mr. Speaker, that it was not always this way in this province. Initially unpopular, it was the thoroughly principled vision of a Tommy Douglas out of Saskatchewan that first gave birth in our country to the notion of universal access to medicare. It was Justice Emmett Hall, who headed commissions for Conservative governments, that finally demonstrated that there were national advantages to medicare systems and that the blight of extra billing was a deterrent to the poor and decreased access to medical services. It was Grant Notley and Ray Martin in this Assembly who, despite scorn being heaped upon them, continued to speak conscientiously about the banning of extra billing. It was the 70 percent of Albertans who in recent polls have shown their opposition to the practice of extra billing with the evidence that the poor are being deterred while doctors continue to be the highest income profession in the province.

On the other hand, Mr. Speaker, it was the former Minister of Hospitals and Medical Care who, when asked about the double whammy that Albertans are paying — one, paying for extra bills, and two, paying for the loss of federal transfer payments — said on October 19, 1984: "It's the principle involved that is important ... It is very difficult to attach a figure to that." It seems that the figure is \$20 million for that minister's understanding of the principle involved. Or again, he said a week later, "It is a small premium to pay for what we are receiving and

what we believe to be monitoring the integrity and philosophy of responsible professions." It seems to me that the current minister, by bringing in this Bill today, is also maintaining the integrity and philosophy of responsible professions without having this small premium that we're paying in extra bills.

Now, Mr. Speaker, there seems to have been enough heat and light, dollars and cents, and statistics and polls that finally got through to the true principles involved here and that we now see in Bill 27. By the good graces of two months' work of a new hospitals minister, that pragmatic Walter Matthau of the front bench, we have Bill 27. The repeal of section 10, the inclusion of section 5.1, and an agreement with the Alberta Medical Association — perhaps we might suggest that the minister with his hot hands should move over to the ministry of Labour and begin to get the needed agreements there with Gainers, Zeidler, ALCB, and the soon-to-be ambulance strike in Alberta.

Yes, Mr. Speaker, it is an historic occasion today that the fundamental principle that it is one's medical condition and not one's economic condition which is the sole determinant of access to public hospitals and medical care in this province — this is the principle now enshrined in Bill 27, which we so gloriously anticipate supporting.

Certainly, however, my role and integrity in opposition must also be to point out some of the weaknesses and omissions that we see in the Bill. It's a big "yes," but it's a big "but." We can strive, as the minister has encouraged us, to begin to try to strengthen here and with later amendments what the Bill is about and what it's attempting to do.

One of the things that comes to mind, Mr. Speaker, is that the Bill deals exclusively with those involved in the delivery of medical services who, as it continues to say, are physicians and dental surgeons. But as we know and as the minister has stated, physicians and dental surgeons are not the only ones involved in the delivery of health care services. Indeed, as the minister has pointed out, podiatrists, physiotherapists, oral surgeons, optometrists, chiropractors, and others deliver services which Albertans currently have access to through the Alberta health care insurance plan. I cannot understand, the Canada Health Act notwithstanding, why these other service deliverers are not also included in this Bill. There are many representations, as we've heard, from others who aren't clear about their status within the department or within the health care insurance plan and representations from many patients who are concerned about the kind of coverage that is being provided.

It seems as though this Bill, Mr. Speaker, is based on the Quebec model of legislation surrounding their health care insurance system. I looked it up, and instead of "physicians and dental surgeons," the health care Act in Quebec uses the term "health professionals generally": all of those who are legally authorized to furnish insured medical services. I wonder why we don't broaden the principle in the base of this Bill to make it more inclusive. For my part this important extension not only would give them greater status and understanding in our society but also would prevent the double insuring or, as the minister has already said, "their continued extra billing." It seems to me that if we're going to stick with the principle for those involved in the Canada Health Act, that must of necessity and principle extend to all others who deliver health care services through the Alberta health care plan.

I think it is unfair, Mr. Speaker, that optometrists should be able to bill the Alberta health care plan and also bill a

private system or be able to extra bill their patients. So to have it be more inclusive and more embracive — despite what the Canada Health Act provides for physicians and dental surgeons here in Alberta, we've come to expect it from all of these who are so insured — I feel they should all be under this Bill.

Mr. Speaker, I think there is a need for further clarification. The Bill only speaks of insured health services, yet the minister is continuing to use the phrase "medically required services." Nowhere in the Bill does it have any definition of what a medically required service is. It is a phrase that is used throughout the agreement the minister has worked out with the AMA and in his other comments. It seems to me that the definition of a medically-required service goes beyond just leaving it up to the particular physician and the particular office. It would be better for us and public policy to know what that phrase means, because as the minister has already said, it is the phrase which serves as the basis for establishing this new extraordinary medical services fee, which the minister has not referred to and yet which seems to be a central and very popular part of the agreement with physicians.

This extraordinary medical services fee had better not be an institutionalized form of extra billing. How is it to be monitored? How are decisions to be made in terms of what an extraordinary medical service is? Because a particular service is medically required and the physician feels that they need more pay or more income for this? I think we need to have some more neutral, outside assessment of what is medically required and why the physician feels that they can extra bill the extraordinary medical services committee for more fees.

Furthermore, Mr. Speaker, if it's left up to only the physician to determine and define medical services, does that not leave out of the equation the services that others might want to deliver, such as paramedics or nurses as they begin to take upon themselves some of the services which are normally seen as medically required? There was an article during the Ontario doctors' strike which said how the nurses nursed the province through the strike and how nurses in the United States are establishing clinics where they are seeing patients on a regular basis for many of the services which may well be medically required or services which patients deserve which do not always have to be performed by a physician. Who defines, therefore, what is medically required? Is it going to be the minister, the AMA, the College, the specialists, the Health Disciplines Board, the physician on the spot? Or is it the patients who are suffering, who think that they have a need for a medically required service?

Furthermore, Mr. Speaker, in section 5.1(2) doctors are able to opt out of the plan. I am satisfied with that, as we had made it clear when we debated second reading of my Bill on eliminating extra billing that physicians should have the freedom to opt entirely out of the plan if they so choose. The Quebec experience shows, however, that the majority of them do stay in, although the principle can still be violated by some specialists, particularly in highly populated urban centres, who can continue to set extraordinarily high opting-out fees. Some heart transplant specialists could do this. I hope it is the intention that such private specialists who have opted out of the plan would also be charged appropriately high rental fees for use of our publicly built and funded hospitals such as the Walter C. Mackenzie and other sophisticated operating theatres in which these private opted-out surgical physicians may want to practise.

Certainly what is said in Bill 27 and the principles involved are only the tip of the iceberg, Mr. Speaker, especially when one reads the entire agreement dated July 22 which the minister has reached with the AMA. Particularly when one reads the interpretation of that agreement from Dr. Perry to physicians throughout the province, there are a lot of details, a lot of regulations, a lot of interpretations to this basic principle.

Section 35(1)(2) talks about negotiating fees with the AMA. I have felt at some points that having the AMA call all the shots in fee schedules and benefits for doctors would be like having the AFL call all the shots in wage settlements and benefits for the working people of Alberta. I would leave the politics within the Alberta Medical Association and dealing with them to set fee schedules with the minister to deal with. But of their many concerns around fees, such as critical care fees, emergency outpatient fees, counselling fees, and so on, I wonder if the minister may have to take upon himself the great debate circling maternity fees, which have been a great irritant in the extra billing battle all along, particularly among obstetricians. Will this in fact be an area of binding arbitration? The issue of why obstetrician's fees are so low is because GPs still want to deliver babies too. After you deliver the baby, as a general practitioner, you've got them, or at least the family, for life.

It then becomes apparent that the CPs have the biggest clout in the AMA. Do they want to keep obstetrical specialists from encroaching on their work and hence keep them at a comparative cost disadvantage? Or on the other side. Mr. Speaker, as the minister wants suggestions about cutting health care fees and costs, what about controlled, in-hospital midwifery programs such as exist at the Misericordia hospital, which are surely less expensive and have proven to be safe in other jurisdictions but are not supported at all by the AMA? What is the minister making of this bold experience in the delivery of maternity benefits, particularly with the government in deficit?

All of this could lead, Mr. Speaker, to more suggestion and more development of outside councils. Apparently, in the early Tory years in this province they wanted to have outside councils to determine what the fees were to be and how hospitals were to be built and which would oversee the real costs involved and not just leave it up to some of the people in the health care field who have so many vested interests and so many of their own fees at stake.

However, Mr. Speaker, the biggest problem with Bill 27 and its principles is in section 5.2(3). Surely if the principle of banning extra billing is now to be accepted and is to be rigorously and faithfully adhered to, then any contravention of this principle in practice must be dealt with harshly — I would submit much more harshly than what is suggested in the provision of 5.2(3), for if extra billing is continued in any form, then it seems there must be penalties exacted. Already in Ontario there are reports to the College of Physicians and Surgeons of over a hundred cases where the legislation is being contravened.

If we are basing our legislation here on the Quebec model, then perhaps we could hear what penalties are provided in their legislation in terms of those who contravene the Act. It says:

Every professional who contravenes this section is guilty of an offence and liable, on summary proceedings, in addition to costs, to a fine of not less than \$1 000 nor more than \$2 000 and, for each subsequent offence within two years, to a fine of not less than \$2 000 nor more than \$5 000.

Mr. Speaker, in the province of Quebec they have amended this twice and have strengthened that punitive section twice. In contrast and by comparison, in our legislation and in this Bill in section 5.2(3), if physicians caught in contravention of the Act continue to extra bill, they may then get a nasty letter from the minister, they may have their name sent to the College of Physicians and Surgeons, or they may be asked to opt out of the plan entirely.

[Mr. Musgreave in the Chair]

Mr. Speaker, these do not seem to be punishments to fit the crime. If we're serious about this legislation and about the principles involved, then I submit that we need to be more serious about the deterrents and the punitive side of it when any physician is in contravention of this Act. I have some confidence that the minister shall take the necessary action, as he is already on record as saying that he would prefer to have the names of physicians who have been decertified by the college published. So I am satisfied at this point that the minister is no slouch and that those in the profession and the medical establishment, if they're in contravention of the Act, will be paying the price.

Mr. Speaker, our common accord to this principle this afternoon is that it is a great day for Albertans, but there are still a few clouds on the horizon. This Bill is long overdue. I feel some amendments could strengthen it, particularly in five areas. It seems to me that in some respects it is the least the government wants to put in writing around this principle. But on this historic occasion let me congratulate the minister for his initiative, skill, and speed in negotiating an end to extra billing in this province. Let me congratulate Dr. Perry and the members of the Alberta Medical Association for their hard work and their acceptance of this agreement. Let me congratulate those 70 percent plus of Albertans, our constituents, who have spoken out to us on the banning of extra billing. Last of all, Mr. Speaker, let me posthumously congratulate Tommy Douglas, whose initially unpopular but courageously noble vision of a humanized health care system for all is now enshrined in principle in this wild rose province of Alberta.

Thank you, Mr. Speaker.

MR. GOGO: Mr. Speaker, I would like to make some comments relative to Bill 27 as well. I was pleased to hear the comments by the hon. Member for Edmonton Centre. I am one of those who for some 12 years, since being elected to office, has never agreed with the question of extra billing. My view has always been that those who are within the system should either comply or get out of the system. There are many who say that MSI worked so well for many years. Maybe it did work well for many years, but people should remember that physicians who were members of MSI accepted 70 percent of their fee as payment in full. When they entered Alberta health care, they received 100 percent of their fee schedule, which I felt was a substantial increase.

Mr. Speaker, I want to particularly congratulate the Minister of Hospitals and Medical Care. Notwithstanding the comments of the Member for Edmonton Centre about two out of three Albertans opposing extra billing, for many years governments not only in Alberta but nationwide have been faced with the problem. So be it. It took the Canada Health Act, where the penalties were severe enough that common sense dictated agreement had to be reached, to

bring this to a head. On balance, I think the physicians of this province have probably been adequately compensated when one considers the adjustment over the years not only to their fees but to other factors, including payments for tray service — a host of payments.

This year we're looking at a budget of some \$673 million for physicians' fees, by far the highest in Canada. Even with that, as a country we still pay out less than 8 percent of the gross national product for our medical system, a service that is second to none perhaps anywhere in the world. In America the great it's over 10 percent, and still some 20,000 to 25,000 Americans go bankrupt each year for health cost reasons. Mr. Speaker, I think commendations are due to the minister, who so soon after assuming the portfolio has brought this to a very successful conclusion.

I do have one concern, Mr. Speaker, and perhaps the hon. minister will comment on it when he closes debate. It is section 5(4), the question of opting in and out. I think of the following scenario. I've always advocated that those who don't want to practise in the system should get out of the system. I have no quarrel with that. But what I do quarrel with is the ability to opt in and out on 30 day's notice. Are we going to see a situation whereby a physician or specialist is opting in and out at his option? If so, how is that going to be handled by the Alberta health care insurance program? Is that fair to his patients? As we recall from this Bill, if a doctor opts out, the patient is opted out. Is that fair? If a physician chooses to do this, I think the position should be that it must be at least three months before he can change his mind. That way I think he or she would seriously consider whether they wish to opt out. There are many physicians who work eight or nine months a year, and if they're going to opt out simply for the period of the winter months, I don't see why that's acceptable.

I would strongly endorse the passage of this Bill. For me it's a dream come true, after so many years. The minister should be commended for all the work he's done. I know he hasn't done it alone; there have been many people involved, including the government caucus. Naturally, as a member of the government caucus, I certainly welcome the views of the Member for Edmonton Centre and other members of this House. But I would like to hear the minister's views on the question of those who elect to opt out being able to opt in again within 30 days.

With that, Mr. Speaker, I certainly support the Bill at second reading.

MR. GIBEAULT: Mr. Speaker, I would also like to add congratulations to all parties that have been involved in putting Bill 27 before us at second reading. It's certainly encouraging that we have been able to get as far as we have in the province of Alberta in this respect. As my colleague the Member for Edmonton Centre mentioned, there are some deficiencies in this Act that hopefully we can have rectified over the next period of time.

At the moment, I'd particularly like to raise a few scenarios, to use a word that is much favoured by the Provincial Treasurer. We're looking at Bill 27 as a major amendment to the Alberta Health Care Insurance Act. If the minister and the government are asking us for support on this, I think we need to have an idea in our minds of some of the various circumstances patients may find themselves in over the course of the next number of years and make sure we understand how Bill 27 will affect these patients.

Maybe the minister can now give us some advice on one scenario. For example, suppose the minister receives

a third complaint of prepayment or extra payment by clients to a particular physician. Perhaps something like this follows: the client arrives for an appointment, and the receptionist states that there is a \$10 fee for the preparation or processing of papers such as the health care insurance claim forms. The client objects, but the receptionist informs him that without the money to process payments to the physician, the physician doesn't get paid. So the client pays and the receptionist does not provide a receipt; therefore there is no written evidence of the transaction. How would the minister deal with this particular case? What I'm wondering here is: would he do his own investigation, or would he refer this complaint to the College? If he's going to do some investigation himself through his office, in what way would he deal with that?

Another scenario that we see perhaps being a problem, even with the amendments here in Bill 27, might go something like this. Suppose the minister has forwarded a complaint of extra billing to the College. The complainant has paid some \$25 cash prior to having an appointment with his physician. During the investigation by the College, the physician explained he was claiming the balance of an old debt prior to the consent of Bill 27 by the Legislative Assembly. The College decided that the physician involved should not be penalized. The complainant finds this to be unsatisfactory and refers this back to the minister. Would the minister uphold the College's decision? If not, what plan of action would he take? Is there any other mechanism, any appeal process, that could be involved here? Or would the minister see that the College's decision would be binding and final in such a case?

There is a third scenario that could perhaps evolve, and I would certainly like to have an idea of how it might be dealt with. Let us say the minister has received a third complaint about a particular physician who has not opted out of the health care insurance plan extra billing \$50 for some service. What action would be taken here? I guess we're trying to establish how many contraventions of the Act might be required for him to implement section 5.2(3)(c), which was earlier referred to by my colleague for Edmonton Centre as being, in our view, somewhat inadequate.

A fourth scenario, if you like. We have an agreement with the people at the AMA for the current year, and certainly we applaud that. Next year, when we're looking at renewing this agreement, perhaps we'll find that the federal health minister has made an amendment to the Canada Health Act which allows provinces to once again get into an extra billing situation. If such a thing happened, I wonder if the provincial minister of health would continue to support the Bill 27 amendments against extra billing at that time. Or in that case, without that penalty provided by the Canada Health Act, would he be sympathetic to having the Alberta Medical Association look at extra billing patients once again? We have an agreement now, and we're wondering if that is going to be long term or up for renewal every time the doctors go for negotiations.

Perhaps we might want to consider another scenario. Again, I'm trying to think down the road, because this is a major piece of legislation we're looking at. Suppose we're looking at a renewal of the agreement with the Alberta Medical Association in 1987-88 and there's some feeling among people at the AMA, the doctors, that they should perhaps look at having the right to extra bill again and look at starting the practice of extra billing slightly as a job action, might we say. What course of action would the minister look at taking there? There's a provision in Bill

27 to withhold benefits payable to physicians, to start a civil action for debt owing to the Crown, or to arrange some kind of agreement with physicians for repayment of amounts owed. I'd like to know what kind of measure the minister would consider pursuing in such a situation.

Mr. Speaker, these are four or five scenarios that have come to my attention as areas that could present some problems, even with the passage of Bill 27, and I would appreciate the minister responding to those concerns.

[Mr. Deputy Speaker in the Chair]

MRS. HEWES: I just have a few brief comments, and I'm pleased to add my views and those of the Liberal caucus to those that have already been expressed by other members in the House. Mr. Speaker, we've waited a long time for this Bill, a number of years, and we welcome it. The universality of the quality of and access to medical care is a principle that is important to Canadians. There is concern expressed — I've heard it here in this House and outside — that it is taken for granted and perhaps abused. I suppose there are a few cases of that kind of thing among doctors and patients alike, but in my opinion the vast majority of Canadians who pay for it are pleased with universality and appreciate this.

Mr. Speaker, along with a number of other nations, it sets us apart. It shows in legislation and in action what kind of people we are and what Canadian society is. So I want to express my gratitude to the minister and to the doctors of Alberta, the Medical Association of Alberta, for putting an end to what I have considered the unacceptable practice of extra billing. I've always believed that doctors should receive appropriate remuneration for procedures. The minister has reviewed these matters with the AMA and has made adjustments, and I expect he will continue to do so as new techniques and technology are developed in our country.

Mr. Speaker, the minister has commented today about the escalating costs of health care and his concern there. I would suggest that this part of the system certainly cannot be given the blame for all of these costs, and I wouldn't want us to leave with that thought in our minds. Perhaps the minister will comment on that. In my own thinking, a good deal of the escalating costs of medical care are due to the capital required and the operating costs of plants and facilities that may either not be absolutely essential or have outlived their usefulness for the purpose for which they were originally planned. I'm glad to have heard in the House on another day that the minister will be reviewing the expansion to the health care system in the sense of facilities and will be making moves to rationalize the system. I believe that's long overdue. In saying that, to rationalize the system, I'm talking about not only active treatment but convalescent rehabilitation treatment and extended care, including home care.

I have a couple of questions. I hope they're not too specific for second reading, Mr. Speaker, but like others I've had some concerns about the penalties in case of contravention. I take it from 5.2(3) in the Act, referring to contravention, and 5.1, as to how you get back in. That any doctor who is guilty of contravention and is deemed to have opted out can get back in in 30 days simply by giving notice. This appears to me to be a fairly lenient kind of system. In the minister's view, is there any intent to place restrictions or constraints upon that? That is, can a doctor go in and out two or three times a year or even

more often if he's found guilty? In 30 days he's in again and repeats the offence. Is there some limit to the number of times that he can get back in?

Mr. Speaker, the other question I'd like to have answered is: do we start to receive transfer payments from the federal government on October 1? Is that understood, and has that been negotiated with the federal government? If not, why not? Just in conclusion, it will be for me, as well as many others, a red-letter day when this Bill has third reading, and I believe Albertans should rejoice with us.

SOME HON. MEMBERS: Question.

MR. DEPUTY SPEAKER: May the hon. minister conclude the debate?

SOME HON. MEMBERS: Agreed.

MR. M. MOORE: Mr. Speaker, a few very brief comments. First of all, with regard to your comments and those from the hon. Member for Edmonton Gold Bar about opting in and opting out, the 30 days really has no magic. It could just as well have been at least 90 days for opting back in, but it was the subject of some negotiation with the Medical Association. I can't recall whether during those long discussions it was a point that I decided wasn't so important. I wanted it to be longer in terms of opting back in, but both hon. members make a good point. Let me say this: when you opt out, your patients will have to pay all of the bills themselves, so we expect few and perhaps no physicians to opt out.

The experience in Saskatchewan with exactly the same plan is that about four, I believe, physicians served notice that they were going to opt out and then changed their minds before they opted out. So I think it's rather redundant that it will cause any problems. If it does and if we get into a situation where physicians are sort of playing games by opting in and out to keep us guessing, then I would probably want to come back to the Legislature and explain the problem, but I don't expect that to occur. Remember as well that the physicians must advertise in the paper 30 days in advance that they've opted out and must inform every patient. So it would be a pretty onerous thing for a physician to opt in and out frequently. On the other hand, in terms of the opting back in, we did want, at least initially, to allow for the fact that some physicians may get upset with this legislation and say, "Well, I'm going to opt out no matter what," opt out, and then have second thoughts about it. Initially, at least, we wanted them to have a fair and quick opportunity to come back into the system and not penalize them.

The Member for Edmonton Centre, and in fact some other members as well, raised points with respect to some parts of the principles of the Bill that I don't think I need to comment on except that for some length of time my position, not unlike yours, Mr. Speaker, has been that the medical profession ought to have an opportunity to practise outside the health care insurance plan. But if they were in it, there shouldn't be an extra bill, and I enunciated that at political forums in my constituency during the course of the last election campaign.

The Member for Mill Woods raised a number of points. I believe they're the only other points I want to comment on. My hon. friend the minister of transportation noted while they were being raised that they were mostly hypothetical, and they were. I haven't spent a lot of time thinking

about what I would do "if." I don't lie awake at night wondering what I'll do if the dog bites me or if the wife leaves. I don't expect either event to occur, and I don't expect doctors to break this law. All I can say is that if they do, Mr. Speaker, then I will be most difficult to deal with in terms of a suspension. If the extra billing is in fact an intended event, then I'm convinced that they intended to break this law. I will have to deal with all of the events that might occur when they occur, and between now and then I expect physicians right across this province to look at what the Legislature has done and observe it.

Mr. Speaker, thank you.

[Motion carried; Bill 27 read a second time]

Bill 49

Take-Or-Pay Costs Sharing Act

DR. WEBBER: Mr. Speaker, I'd like to move second reading of Bill 49.

Mr. Speaker, this is a significant piece of legislation with respect to gas deregulation, and I'd like to spend a few moments, if I may, outlining the principles of the Bill. In doing so, I think it's important to give a brief outline of the history related to what was required up to having this Bill presented before this Legislature.

Since 1958 the TransCanada PipeLines company has traditionally been a buy/sell pipeline; in other words, it has purchased most of the gas transported through its system and then resold it to the local distributing companies, primarily in Ontario and Quebec. Until deregulation, or until the natural gas pricing agreement was signed, TransCanada was under no obligation at all to carry gas for third parties, and of course TransCanada was regulated by the National Energy Board and still is.

TransCanada PipeLines has traditionally contracted for its gas supply from producers here in Alberta. Their gas contracts normally contained what is called take-or-pay clauses which required TransCanada to take minimum specified volumes of gas, and should they fail to do so, to pay for volumes not taken. TransCanada had the right to make up these volumes of gas by taking the gas within a specified time period, after which it lost the right to take the prepaid gas.

The take-or-pay clauses in gas contracts are common in the natural gas industry throughout North America. The clauses ensure producers of a minimum cash flow and help them to obtain financing for gas exploration and development. In turn, the contracts provide security of gas supply for the distributors at the other end and also assist with respect to enabling pipelines to be built, the financing for the construction of those pipelines.

In November 1975 gas prices became the subject of government regulation; they were unregulated prior to that time. Increasing prices was the order of the day, and it helped induce a rapid increase in the production of gas in this part of the world. These higher prices also resulted in demand not growing as rapidly as had been anticipated at that time, and TransCanada incurred its first major take-or-pay liability in 1977-78. At that time it was required to pay \$134 million for gas it could not take.

In 1981 we saw the emergence of the U.S. gas bubble, and we had take-or-pay problems facing pipelines throughout North America. By the end of 1981 TransCanada had paid out \$1 billion in take-or-pay in spite of being able to renegotiate a number of its contracts. That was when Topgas

1 was formed. It was actually introduced in 1982 as a result of that. Topgas 1 or Topgas Holdings is really a corporate entity of about 30 domestic and foreign banks and financial institutions, and they assumed TransCanada's outstanding take-or-pay liabilities and advanced \$2.3 billion to the producers that were having their gas sent down TransCanada's system. One billion dollars of that \$2.3 billion covered TransCanada's previous prepayments to producers, and the producers refunded that money to TransCanada. Thus TransCanada had \$1 billion of its debt removed. However, TransCanada's take-or-pay problems didn't end there; they continued.

A short time later Topgas 2 was born, when a further \$350 million was advanced to the producers. We had \$2.3 billion initially and then \$350 million; thus a total of nearly \$2.7 billion in Topgas payments made by these banks ended up in the hands of the producers with, as I say, a portion of that going back to TransCanada for their prepaid gas.

Now, how was this money to be repaid? Repayments began in 1984. Annual installments were made and will continue to be made on the principle; I think it's 10 percent a year. The TransCanada PipeLines system collected this principle, as outlined by the agreements, from the sale of the prepaid gas. Upon the sale of this gas, TransCanada withholds from the price otherwise payable to the producers an amount which is advanced to the producers for this gas and pays this amount to the Topgas consortium. I'm sure you all followed that. The interest on the advances is paid by the system producers through the collection of a charge by TransCanada PipeLines in its Alberta cost of service, which is then remitted to the Topgas consortium. So we've got the two payments, the payments on the principle and the payments on the interest, being collected in different ways.

Mr. Speaker, this was the scene prior to October 31, 1985, when the natural gas agreement was signed by the three western provinces and the federal government. Between November 1 of '85 and November 1 of this year, the transitional deregulation year, we have what we call partial deregulation, where producers and buyers can involve themselves in direct sales. TransCanada had to carry that gas. Previously, TransCanada could keep out third-party people.

TransCanada PipeLines could no longer protect its markets by denying pipeline access to these other sellers. Topgas relied on the TransCanada PipeLines system's market position as security that payments would be made. Direct sales between the producer in Alberta and, say, the buyer in Ontario displace the so-called system gas, the gas that has been moving through the TransCanada system under contract. Thus the Topgas payments constitute a larger burden for those 650 producers out there who are under the Topgas agreement. If these direct sales displace this system gas, then the carrying charges on the Topgas payments are spread over a smaller volume of gas.

The National Energy Board made a recommendation in May of this year. They made this recommendation in a report entitled *Reasons for Decision in the Matter of TransCanada PipeLines Limited Availability of Services*, May 1986. The National Energy Board was asked to make a recommendation as a result of the natural gas pricing agreement.

Mr. Speaker, this Bill today, the Take-Or-Pay Costs Sharing Act, has been drafted in order to resolve this problem. The National Energy Board in its report found it did not have the legislative authority to resolve the issue through an amendment to the TransCanada PipeLines tariff.

It did not have that authority. The board then recommended that the issue be resolved by Alberta imposing within Alberta a charge or a levy on all Alberta producers who are the new users of a TransCanada PipeLines system and with that levy to defray part of the Topgas interest costs. The National Energy Board stated very specifically that Saskatchewan producers and B.C. producers, if B.C. gas should ever move into eastern Canada, should be exempt from this levy. The National Energy Board recommended that the levy for new producers be set at certain rates.

Mr. Speaker, this issue has been discussed very thoroughly with the industry people, the umbrella organizations, and both the Canadian Petroleum Association and IPAC, the Independent Petroleum Association of Canada, and other organizations have indicated it's regrettable that the National Energy Board did not recommend that all new users of TransCanada PipeLines pay the levy, including the Saskatchewan and British Columbia producers. The best solution of the options that were available was for Alberta to act to impose a levy on all Alberta producers who are new users in the system.

I mentioned options, Mr. Speaker. What are the options? Number one is to do nothing. The impact of that would be to put a significantly higher cost load on TransCanada's existing 650 producers, putting them at a disadvantage when competing for markets in eastern Canada. In addition, possibly Alberta producers with financial difficulties would be unable to pay their Topgas payments and, of course, would find banks exerting increased pressures on them. The second option would be for federal government action in terms of amending the National Energy Board Act. In that case, a levy or a toll charge would be put on the TransCanada system. The board has indicated that if it had the legislation appropriately changed, it would be willing to implement the recommendations. I believe this was mentioned in the report. Given that the National Energy Board's recommendations affect only Alberta producers who are new users of the system, that amendment to the federal Act would in effect be allowing a federal body to selectively tax Alberta producers, which is a very dangerous precedent. I believe that the federal government would be very reluctant to go that route, even if that were a desired option.

A further attempt, Mr. Speaker, could be made to persuade the federal government to impose a levy on all new users including Saskatchewan. It's very unlikely the federal government would agree to this given that both the National Energy Board and the pipeline review panel reports have put on public record the view that the levy should be applied only to Alberta producers. If this attempt failed and no Alberta legislation were in place, this option would become really the do-nothing option. The third option is to provide resolution inside Alberta by passage of this Act, the Take-Or-Pay Costs Sharing Act. By passage of this Act the levy could be imposed on the new users of the TransCanada PipeLines system that are displacing the sales of Alberta producers who sell gas to TransCanada. This levy then could be used to offset the interest costs of the 650 producers in this province who are committed to sell gas on the TransCanada system. The amount of that levy would be determined after consulting the industry and would be set at a level found to be in the best overall interests of the gas industry in Alberta. The regulations would specify those numbers.

What kind of reaction are we going to get? Mr. Speaker, in our consultations with the industry we find that the umbrella groups do support this position. There will be,

however, a vocal minority of gas producers and brokers now entering into direct sales into eastern Canada who will oppose this legislation. They will argue that Topgas is not a so-called system problem at all but a loan arrangement between specific producers, the banks, and the TransCanada PipeLines system. They will argue that because they did not benefit from those loans, they should not have to pay any of the costs. What these producers overlook is the fact that the loan arrangements were made based on TransCanada's monopoly position in marketing gas into eastern Canada and that deregulation has been a major benefit to these new producers, these new users of the TransCanada PipeLines system who previously were denied access to that system. TransCanada producers face the double impact of losing part of their markets and having their per-unit costs rise as fixed interest costs are spread over smaller volumes.

Mr. Speaker, those who have read the National Energy Board Reasons for Decision would recognize that significantly good arguments can be made on both sides of this issue in terms of who the beneficiaries of the TransCanada system were over the years. There is a clause in the Act that allows for exemptions to the levy. I think that we can, through the regulations, bring a greater degree of fairness in terms of who should pay and who should not pay this levy. As an example, there were producers who opted not to go under the Topgas 1 agreement, and there were producers who opted not to come under the umbrella of Topgas 2 and continued to sell their gas on the system and paid back these take-or-pay charges themselves. It's my view that they should not be imposed the same kind of levy as those who opted to receive the benefits of the Topgas funding.

Mr. Speaker, those are my comments with respect to the Take-Or-Pay Costs Sharing Act, the principle of the Bill being basically the imposition of a levy, as I outlined in my remarks.

MR. PASHAK: Mr. Speaker, I'd like to begin by commending the minister for the relatively clear and lucid statement of this very, very complex issue. I have some questions that I'd like to put, though, with respect to the principles reflected in the Bill.

The first deals with the fact that although there are a number of new producers coming on stream from other provinces, Saskatchewan and British Columbia — I think there's a large volume of gas that comes into the system from Ocelot in Saskatchewan, plus there's some British Columbia gas that comes down through the Nova pipeline into the TransCanada PipeLines system. The National Energy Board suggested not in its rulings but in its recommendations that only new Alberta producers, as the minister mentioned, should be responsible for picking up part of the debt that arises from the interest charges on the Topgas debt, which I think is really unfair. I understand that the reason the National Energy Board made that recommendation in part — and they said that in the Reasons for Decision document the minister referred to — was that it was only the Alberta government through the Alberta Petroleum Marketing Commission that said in its representation that new producers should pay part of that interest debt. The representatives of the governments of British Columbia and Saskatchewan didn't make such representation. I recognize that if the federal government stepped in here and made that ruling themselves, it would be an interference in a jurisdiction that we'd want to argue is a provincial jurisdiction. But I don't understand why the Alberta government didn't at least

try to work behind the scenes and work out an agreement with the British Columbia and Saskatchewan governments to, in effect, get them to require that producers in those provinces should also pay part of the interest charged on the Topgas debt.

That's one major concern that I have, and I suppose the second, larger concern is the question: who should pay for that debt in the first place? It's really TransCanada PipeLines and then the banking syndicate that entered into that debt, and in some sense TransCanada PipeLines and the banks should be held accountable there. I know that in the United States on the other hand, where the same situation existed, a lot of the pipeline companies were allowed to walk away from their debts, which didn't help the producers. But I think this points out just why deregulation is such a total failure. Because it seems to me that it should be not just the producers, which in effect are the people being required to pay for this debt that was entered into by TransCanada PipeLines and the banks; in a nonderegulated environment we could have insisted that all Canadians, all people that benefit from that gas could have assumed part of the debt burden and paid for these commitments that were entered into in an earlier era. So I'd like the minister to comment on that. Why weren't some of the debt charges from these agreements passed on to, say, consumers in Ontario and people in Quebec, people that use this gas? I think what this clearly does is point out just why deregulation, particularly in the gas industry, is such an impossible concept in the Canadian case.

In conclusion, Mr. Speaker, I'd just like to recommend that we vote against this particular Bill for two reasons. First of all, I think the Bill is discriminatory against Alberta gas producers, particularly new producers using the system. Secondly, I think that by voting against the Bill, we're also voting against the whole principle of deregulation, which I don't think is in the interests of either Alberta producers or the Albertans who, in effect, own that resource.

MR. CHUMIR: Mr. Speaker, in opening I too would like to compliment the minister for his comprehensive explanation of this very complex issue. It's ironic that what has probably been the most complete explanation of any piece of legislation introduced in this House to date is probably lost on any but those who have had some background or spent the equivalent amount of time on this particular area sufficient to obtain a PhD. I would be fascinated to know if there is anybody in this House other than those who have done so who understands the issue even after that. That isn't to be critical of the explanation; it's just that it's a very, very difficult issue.

Because the issue is so difficult, we have before us very, very unusual legislation which is a reflection of the strange kaleidoscopic world that "gas deregulation" — and I put those terms in quotes — has become. The essence of this legislation is that in our so-called free-enterprise world, one group of gas sellers in Alberta is being made to pay some of the interest costs on loans from which another group of producers has benefited, and the minister explained that very, very clearly.

The decision to legislate in the manner provided in this Bill is certainly not based on any principle that one would care to continue in the business affairs of this province generally. It is in fact a practical and expedient decision to very practical and difficult problems. If the producers who borrowed the money in issue don't get help, they probably won't be able to pay the money back, and that

presents serious problems for them and TransCanada PipeLines in the long run. In addition, the strategies of the matter, as the minister pointed out to some degree, are that if part of the Topgas amount is paid by new producers, it makes it more difficult for them to compete with the existing TransCanada PipeLines vendors and thereby indirectly helps to keep gas prices up. To that extent, I think that is not an unreasonable approach.

It's my understanding that the Alberta government, through the Alberta Petroleum Marketing Commission, supported the position that new producers should bear a share of the Topgas payments, and if I'm correct, the argument of the Alberta Petroleum Marketing Commission was that the producers should bear more of the costs than in fact the National Energy Board ultimately placed on these producers. The National Energy Board decision was in fact a saw-off, and I would appreciate the minister's comments as to why the Alberta Petroleum Marketing Commission took the position it did. This being a practical problem, there are many ways of dealing with it in finding a solution, and as businessmen, presumably the bottom line should be that if there is a sensible argument for other groups in this country bearing a fair share of the cost, then they should do so. The unfortunate result is that in fact that is not the case; it's Alberta producers, beginning and end, who bear the cost.

There are other options that are feasible and supportable. The most realistic and supportable in my view, Mr. Speaker, would be that the consumers who have benefited from the security of having gas supplies guaranteed to them in the past through the Topgas mechanism and who now are to be, I would suggest, the main beneficiaries of the deregulation process — not Alberta gas marketers who are going to be selling gas often for a pittance, but the consumers are the main beneficiaries. I would suggest that the consumers are the main group who should be bearing the cost that may be practically required to make the system work in relation to Topgas. The need in that regard, of course, would be for provincial legislation to increase the price to be paid in some way, particularly in residential markets in the country, in which the price increase can be borne without loss of markets. This of course would not be deregulation, but we don't have deregulation, and as I suggested earlier, if we're going to be practical rather than principled about it, why don't we be practical and get some cash benefits out of it? Why are we always ending up on the short end of the stick of all these issues today?

Several other ways of sharing the burden have been mentioned by the previous speaker. I think there is certainly some merit to them, one of which is that Saskatchewan and Manitoba should pay their fair share. Whatever the limited authority of this province may be, it's certainly not fair. Maybe we feel that we can be tossing millions around here and there as we did in the old days. We heard earlier today the minister's lack of concern over what was probably about \$450 million of PGRT levied by the federal government from January 1 to October 1, when the PGRT will be removed. There seemed to be little concern in recouping that. Perhaps the same largess and attitude prevailed in determining the province's attitude in respect to this issue as well.

Finally, of course, there is the question of TransCanada PipeLines, which has been a fat cat in terms of having a guaranteed return for many, many years with virtually negligible risk with respect to its business operations. We find TransCanada PipeLines, at a time when Nova is reducing

its transportation charges, now applying for increased transportation charges at the same time as it slides through the middle of this thicket of problems with respect to Topgas without it or its shareholders bearing their share of the cost.

I would submit, Mr. Speaker, that the solution which is being proposed in this legislation and which has been supported by the province of Alberta is not the best solution possible for the people of this province and should not be supported.

MR. MARTIN: I won't take a great deal of time, because I think some of the arguments have been made on this side of the House.

Just a very practical note I want to say to the minister and see what it means. I don't need to remind people in the Assembly that many of the small gas producers are in very serious economic straits right now. Any extra charges or extra money taken away from the cash flow could be disastrous. The minister himself has alluded to this, and that's why many of them have suggested even a year moratorium. It's not just us; small gas producers have suggested a year moratorium.

But to come to this specific Bill, I believe there is a \$2 billion debt left and interest is some \$300 million a year. Alluding to this in a very practical situation — and other arguments have been made about who should pay and all the rest of it — let's say that this Bill goes through. What sorts of charges are we looking at in terms of small gas producers? How much money is this actually going to be in a year? Is it the full \$300 million at this particular time? I guess I'm trying to get a handle on what this will actually mean to small gas producers. With everything else happening, it's just another problem with their cash flow. Especially if it's significant, Mr. Speaker, it could be the end for some oil producers. Could the minister, in concluding debate, give us some idea what this really means?

MR. PIQUETTE: I'd also like to speak against this Bill, mainly because I wonder how the minister and this government can say that the Western Accord is a fair agreement for Alberta when all new producers from Alberta have to bear the payment of the Topgas agreement. Why hasn't the Alberta government introduced legislation when there have been no other agreements from the other provinces that also pay their fair share for their producers? I think for us to claim that the Western Accord is a fair agreement for Alberta really flies in the wind. There has been a lot of contradiction about how the whole Topgas agreement will be paid for.

As the Member for Calgary Forest Lawn indicated, as soon as the financial burden assumed by TransCanada PipeLines was of a direct benefit to consumers in eastern Canada, why couldn't this government have also asked the eastern consumers to pay their fair part of this cost? Deregulation will mainly benefit eastern consumers. Therefore they should be made to also pay their fair part of the cost. This would at least greatly spread the cost across Canada in terms of this \$2 billion burden that has to be paid off.

The only comment I have to make is that I cannot understand why this was not anticipated when we signed the Western Accord, an agreement we're so proud of. Why is Alberta bringing in legislation at this time to get our new producers to pay costs which should have been borne by other producers in other provinces and also consumers

in other parts of the country who are benefiting from this deregulation Act?

MR. WRIGHT: Mr. Speaker, I tried to follow the hon. minister's explanation of the Act, and I think I more or less succeeded. But as I understand the point, the shortfall in the taking up of contracts by producers in contract with TransCanada PipeLines created a large bubble of debt at the time. That in turn was due, I suppose, to the fall in the price of gas in the meantime due to world conditions, which made the customers at the far end of the pipe unwilling to keep on taking the same volume or at least the same price. In effect, those contracting with the pipeline company had been in receipt of a windfall so to speak, in that by luck, I suppose, they had made the long-term contracts. World conditions then put them in the lucky position of having contracted, as it were, a future contract above the price which eventually resulted.

I'm just wondering what efforts have been made to make those lucky contractors pay a greater share of the debt which has resulted, in recognition of the fact that they were in receipt at the time the contracts were carried out of something of a windfall not due, as all windfalls are, to anyone's inefficiency, breach of good operating practice, or anything like that, and secondly, whether it is too late to consider any such selective action at this time.

MR. DEPUTY SPEAKER: May the Minister of Energy conclude the debate?

HON. MEMBERS: Agreed.

DR. WEBBER: Mr. Speaker, I want to thank hon. members who participated in making comments on second reading of this Bill. I think they certainly recognized the complexity of the gas business in this country and North America. What we have here today is a Bill that addresses a particular problem that results from contracts made in the past in a different environment than we are in today — an environment today that was welcomed by the industry and governments except in one way, and that is the price. The industry and governments in this country wanted producers and buyers to have the ability to enter into contracts without government regulation. The process of deregulation is going on, and we have made the commitment to bring in legislation that is required to make the system as fair as possible for all concerned.

Addressing the point related to British Columbia and Saskatchewan producers being exempted, I outlined in my comments some of the reasons for that. In terms of volumes of gas that would be leaving those provinces into the TransCanada system, I would like to point out that a very small percentage of the total gas goes into the system. Alberta producers have significantly the largest volumes of gas going into the system. So when it comes to a Saskatchewan producer not paying any Topgas charges, you might argue that he's in a better position to negotiate a deal with a deregulated market. That would be significant if significant volumes of gas were going to have an impact on the market, but that's not the case. The hon. member can say the principle of the thing is not fair, and he's got a valid point. What I've said here today is that in viewing all the options available, this is the option we considered to be the fairest to all, in view of the fact that Saskatchewan and British Columbia, in making their presentations to the National

Energy Board, opposed the payment by their producers on this particular issue.

Mr. Speaker, some of the members have indicated that the consumers at the other end should have to pay part of the cost towards the interest. In a deregulated free-market environment, I really don't know that it makes much difference as to whether the charges are added on at this end to the producer or at the other end to the consumer. When you're competing in the Ontario market against fuel oil in the industrial market, you have to be able to compete in that market. What difference does it make whether the charges are added on at that end or this end? The other residential and commercial markets are somewhat the same, where we're competing against electricity, although the competition there wouldn't have the same impact in terms of prices as competing against fuel oil in today's oil markets.

Also, Mr. Speaker, I failed to hear on the part of at least the NDP, in speaking against the Bill, another option or solution to the problem. I'll have to review *Hansard* to make sure I'm accurate on that.

AN HON. MEMBER: Don't deregulate.

DR. WEBBER: Of course the option I just heard now of "don't deregulate" is not feasible, practical, or desirable for the producers or the industry.

Mr. Speaker, I'm looking to see what other questions were raised. I will have the opportunity, though, in committee stage of the Bill to respond to those questions. I think that's what I should probably do. [interjection]

Oh, I'm sorry. The Leader of the Opposition indicated that in view of the current situation, there should be a one-year moratorium. Mr. Speaker, in view of the fact that approximately two-thirds of the gas produced in this province today is essentially deregulated already, by going to complete deregulation, it would only be in the residential and commercial markets in Ontario where we have the best chance to compete and where it's likely we will not see a great reduction in the price of gas. By putting a further moratorium on this, we are going to actually do further harm to existing producers who are making these Topgas payments, who are having their gas displaced by direct sales, and who will in fact have the added burden in many instances of being put into the difficult position of being able to make their payments. So if the hon. Leader of the Opposition is concerned about small producers being able to make their payments, he has to be concerned about these producers who are under the Topgas agreement right now. It's a matter of sharing these interest costs in the fairest way possible.

Mr. Speaker, he also asked what sort of charges. It's my recollection, subject to checking, that the current Topgas interest charges work out to 20 or 25 cents per gigajoule.

Mr. Speaker, before I sit down, I want to indicate that amendments were handed out this afternoon which we can discuss in committee stage of the Bill. The amendments essentially improve the drafting of the Bill.

[Motion carried; Bill 49 read a second time]

**Bill 50
Gas Resources Preservation
Amendment Act, 1986**

[some applause]

DR. WEBBER: Thank you very much. At least gas deregulation is not keeping that member from paying attention.

Mr. Speaker, the Gas Resources Preservation Amendment Act is a follow-up to the natural gas pricing agreement,

where we agreed we would review a particular section of the Act as it deals with, so called in the industry, the incrementality test in terms of incremental sales of gas.

In these incremental sales the ERCB, the body in this province involved in giving approval to gas removal permits, has to take into account, according to the legislation, certain criteria, one being the surplus test that's in place in this province and, secondly, a test that relates to the economic benefits to Alberta with respect to removal of that gas from the province. Mr. Speaker, it was agreed that we would review the particular section as it related to the economic benefits to Alberta and, in view of a deregulated market where prices would be negotiated, we would remove the section from the Act.

Hon. members would observe, though, that in the amendment, in particular section 8, we have taken out the clause dealing with economic benefit and replaced it with "any other matters considered relevant by the board." So we don't really have any specific reference to economic benefits, but we are allowing the board to take into account matters it deems to be relevant.

Mr. Speaker, I hope the concern of all of us would be that we're not going to allow gas from Alberta to be removed at fire-sale prices or at prices below market value. In this respect, the ERCB have the criteria to look at addressing the question of whether or not a gas permit should be approved. In addition to that, all gas removal permits in this province have to be approved either by order in council or by ministerial approval, and in that regard there does not have to be any reason given with respect to why a permit may be turned down. So for those who are concerned that gas can leave the province of Alberta not to the benefit of Albertans and this province, there are safeguards in place where we can prevent the new permits for gas removal from actually occurring.

I mentioned that in addition to what's in this Bill, Mr. Speaker, the principle of the Bill being primarily to remove the section that relates to economic benefit but at the same time providing the ERCB with the leeway or the requirement, I guess you would say, to take other relevant matters into account when determining whether or not gas should leave the province. That's the primary principle of the Bill, and I believe those are all the comments I would like to make on second reading.

MR. CHUMIR: Just a few comments on this issue, Mr. Speaker. If I'm not mistaken and if I don't misunderstand the nature of the changes being proposed in this legislation, there are several basic changes in principle, one of which has been referred to by the minister, and that is with respect to the change in the section dealing with the considerations that the Energy Resources Conservation Board must ...

MR. DOWNEY: Point of order, Mr. Speaker.

MR. DEPUTY SPEAKER: Member for Stettler, point of order?

MR. DOWNEY: Yes. Did not the Member for Calgary Buffalo already participate in the debate on second reading?

AN HON. MEMBER: That was the other Bill. [interjections]

MR. CHUMIR: Even I am embarrassed at that interjection. The matter of principle referred to ... [interjection] I'm

really, really pleased at the amount of enjoyment the hon. member obviously gets when I get up to speak.

The matter of principle to which the minister alluded was the change in broadening the criteria which the Energy Resources Conservation Board can take into account when determining whether it does or does not grant an export permit. However, I don't recall having heard anything about the fact — again, if I understand the legislation correctly — that the right of the board or the obligation of the board to hold a public hearing in respect of applications to remove gas from this province has been eliminated. I have searched for it. Perhaps it's there, and I would ask the minister specifically to please point out where there is a requirement for a public hearing in respect of these matters.

The previous provisions of the legislation provided generally for the need to have a public hearing. This was a very salutary provision and requirement, because there is a major public interest in having Albertans be aware of the supply of gas which is reserved for this province in the future, not only in terms of the quantity of gas available but also in terms of the price paid for that gas. As we export our gas, obviously quite cheaply at the new prices these days and perhaps at fire-sale prices notwithstanding the comments of the minister, we will be left with reserves of gas that are very, very expensive to find and we'll have sold the cheap shallow gas currently in reasonable supply. So these are issues that deserve and require public input.

It's only if we have a public hearing on these important matters that the public can firstly be aware of what is being said at these hearings and be aware of the arguments being made so they can understand the basis of the decision. Also, secondly, they can have some input and be in a position to rebut the arguments and information that has been presented. This difficulty in the problem presented by the absence of a public hearing is in fact compounded by the change the minister and the government are proposing in this legislation of allowing the Energy Resources Conservation Board to make a decision in respect of any other matters considered relevant by the board. Without a requirement for a hearing and with no requirement that there be published and complete statements of the reasons and rationale of the board, the board can, at the direction of the government or for whatever reason, make a decision to approve or not approve an export application in a manner and on a basis of which the rationale and the reasons will be totally obscured to members of the public.

[Mr. Musgreave in the Chair]

That is, I would submit, a matter which should be of great concern to all members of this House and to the people of this province. It is a very, very significant and major change in the way in which we have handled our affairs, the open manner in which we have handled our affairs in this province in the past. It is highly unacceptable, and I hope the minister will be able to provide some insight and point out that somewhere in this very complex bundle of legislation being presented to this House with respect to the natural gas industry there is some provision which shows that I am wrong. Tell me it isn't so, Mr. Minister.

MR. PASHAK: Mr. Speaker, I think this is perhaps the most significant and the most important of all of the energy Bills that have come down this session, and I want to say at the outset that I disagree with the position that was taken by the minister. He claims that the removal of the economics

benefit test within this new Bill has been replaced by an equal power that's presented in the Act by giving the board the power to make decisions on the basis of any other matters considered to be relevant by the board. I think that's an incredible weakening of that provision.

I think that in order to understand just how significant this Act is, it's really important to go back into a little bit of history. You can go all the way back, I suppose, to the time of the Turner Valley gas field when there were no conservation measures practised and all the gas was considered to be a waste commodity. It was just flared off, and it was necessary for governments to enter into the picture and begin to introduce regulations to not just prevent the waste of gas but make sure that oil fields were developed in some sort of orderly way. It became a particularly significant issue with the discovery of Leduc, the gas that was associated with those wells, and how the province was to deal with it. The government of that day introduced the Act for the first time. The Gas Resources Preservation Act was intended to make sure that gas in this province was used in the best interests of all Albertans.

[Mr. Deputy Speaker in the Chair]

There was a lot of concern at that time about the needless export of gas outside the province. People in Calgary, Edmonton, Lethbridge, and Medicine Hat, the cities of the province at that time, had a cheap source of gas available to them. If you were around in those days, you could possibly recall that you could heat your house for \$2 or \$3 a month using natural gas. Gas was also seen as a fuel that could develop an industrial base in the province of Alberta. So regulations were introduced from that time forward, not just by the old Social Credit government that existed in this province but later by the Conservative government as well. At one time there was a 50-year requirement before any export permit was allowed for gas. There had to be a demonstrated 50-year supply of gas for the citizens of Alberta.

At that time there was legislation introduced to prohibit waste, but even more importantly, the Oil and Gas Conservation Board was created to control the removal of gas. The government of the day, the Manning government, was concerned even then about the role that TransCanada PipeLines played, so they established the Alberta Gas Trunk Line system. It was to keep a federal presence out of Alberta so Alberta could continue to maintain its claim over control of its resources.

As we saw very clearly last day when we were talking about the Bill that you suggested was related to this one, the Natural Gas Pricing Agreement Amendment Act, in the early days of the Conservative government that came into power in this province in 1971, they had the same concern to protect gas for the citizens of Alberta. In introducing changes to the Gas Resources Preservation Act, they introduced an amendment that was particularly significant. I believe the minister of the day, John Zaozirny, introduced that amendment, and it provided what was called a cost/benefit test to Albertans. Gas could be exported from this province only if it met that test. If I might just quote from what he had to say on November 1984, he said that it was an important matter and assured there was an overall economic benefit to Alberta. That's why that clause was introduced.

When we turn to that clause in the existing Gas Resources Preservation Act of 1984, it provides the following.

The Board shall not grant a permit for the removal of any gas or propane from Alberta unless ... it is in the public interest of Alberta to do so having regard [for a number of] considerations.

First of all, "the present and future needs of persons in Alberta," and then clause (c) in that section says:

the expected economic costs and benefits to Alberta of the removal of the gas or propane from Alberta.

It requires that the cost/benefit of the removal of that gas has to be demonstrated before any permit can be granted for the export of gas. That's been replaced, in my judgment, by a much weaker clause in the proposed amendment which, as the minister mentioned, is in clause 8 of the Bill. It says:

The Board shall not grant a permit unless in its opinion it is in the public interest of Alberta to do so having regard to ...

(c) any other matters considered relevant by the Board.

But that doesn't require the board to take those matters into account.

In order to protect the people of Alberta and to make sure that these resources provide a benefit to Albertans, I think we in the Legislature must oppose this Bill.

MR. MARTIN: Mr. Speaker, this is an important Bill and I'm sure the minister wants to spend some time with this. Coming back to the Member for Calgary Buffalo, I am unclear about the public hearings. It's one thing to say that everything's okay; we're going to take away what was written in the legislation and we're going to sort of take away the realities of cost/benefit, but don't worry about it because the ERCB can take in any other matters. Well, it seems to me that that's a pretty haphazard way to try to deal with the particular problem. This is a future heritage, an important heritage, of the people of Alberta. I understand that where it used to say present and future needs of Albertans — and clearly that was laid out — now we don't know what it means.

The minister also said in his explanation, "Don't worry; trust us because the cabinet can still make a decision." Well, I get confused by the messages we get from this government. Do we have deregulation or not? Clearly, if the cabinet can decide that they're not going to allow it to go out at a certain price, to me that's not deregulation. That's government intervention.

Mr. Speaker, it seems to me that in this Bill they're talking out of both sides of their mouth and we really don't know what they mean. The point is that if we can make these sorts of decisions in this Assembly today, that could have dire consequences down the way. As I believe the Member for Calgary Buffalo pointed out, in terms of the economic problems we're having now, we may want to get rid of this quickly because producers are saying, "Let us ship it out." In trying to do something in terms of the American market, we ship it out at the cheapest price, and when we're out of it at some point three or four years down the way, then we'll have the more expensive gas and oil and we'll all pay.

Mr. Speaker, I have sat here and have not seen an adequate explanation other than, "We believe in deregulation." It's a holy altar. "We believe in it no matter what happens. Whether our revenues go down the tubes or gas producers go out of business, we believe in deregulation." It's a Holy Grail with this government. Frankly, that's not good enough in terms of the explanation of a very serious

Bill. In view of that, I think this certainly needs more discussion in second reading and committee stage.

In view of the time, Mr. Speaker, I beg leave to adjourn debate.

MR. DEPUTY SPEAKER: May the hon. member adjourn the debate?

HON. MEMBERS: Agreed.

MR. DEPUTY SPEAKER: Those opposed? So ordered.

MR. M. MOORE: Mr. Speaker, before moving to adjourn the House, I'd like to advise that tomorrow evening it would be our intention to continue with second reading of

Bill 50 and then move to second reading of other Bills on the Order Paper beginning with Bill 15.

Mr. Speaker, I move that the House now stand adjourned until tomorrow afternoon at 2:30 o'clock.

MR. DEPUTY SPEAKER: Having heard the motion of the Acting Government House Leader, all those in favour please say aye.

HON. MEMBERS: Aye.

MR. DEPUTY SPEAKER: Opposed, please say no. So ordered.

[At 5:30 p.m., pursuant to Standing Order 4, the House adjourned to Thursday at 2:30 p.m.]

