

Legislative Assembly of Alberta

Title: **Wednesday, May 4, 1994**

8:00 p.m.

Date: 94/05/04

[Mr. Speaker in the Chair]

head: **Government Bills and Orders**

head: **Second Reading**

Bill 15

Alberta Energy and Utilities Board Act

[Adjourned debate April 25: Mrs. Abdurahman]

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

DR. PERCY: Thank you, Mr. Speaker. I rise to speak to Bill 15, the Alberta Energy and Utilities Board Act. I have concerns of this Bill. The Energy Resources Conservation Board has a long and distinguished history in the province of Alberta. It has been viewed as one of those agents of the state that has performed remarkably well in terms of the regulatory environment it has created, in terms of setting out a very clear set of rules of the game, and in terms of its use of economic analysis, benefit/cost analysis to determine the feasibility and desirability of various projects in the energy sector. This Bill and the consolidation it proposes with the PUB we have concerns of because of a number of reasons, one of which is it ceases to allow a separation of interests of consumers, which ought to be represented by the Public Utilities Board, and the regulatory function of the ERCB.

We think if you look at what has occurred over the last year with this government, function after function that has dealt with protecting consumers and protecting consumer interests has been privatized, they've gone to self-monitoring, or specific agencies dealing with the interests of consumers have been cut back significantly. We think when you look at this Bill, there's a progression here, Mr. Speaker, in which the PUB basically loses a lot of its clout.

We think, as well, in the interests of streamlining that the intent of this Bill could have been achieved just through fiat by the minister as opposed to actual consolidation. Part of the argument in favour of this Act is that it prevents the type of problem that emerged with Genesee, where a plant could be approved, construction undertaken, but when it comes times to include it in the rate base and allow it to be paid down, the PUB then finds it's not feasible to do so. That's really an issue, then, of integrating the functions and not necessarily an argument in terms of consolidating the two entities.

We think, as well, the notion that there's a single pool of directors from which then the various functions will be drawn really does dilute the independence that heretofore had existed for the ERCB. As we say, then it could easily subordinate the interests of consumers to the interests of producers.

So we would like to see the clear distinction that currently exists between the PUB and the ERCB maintained, because I think it is necessary there be an agent there that speaks on behalf of consumers in this province. Sometimes it's messy, Mr. Speaker. Sometimes it's a little costly, but part of the role of government is to provide advocates. What the PUB ought to be doing – in some instances it's sort of drifted away from that tack – is acting as an advocate for the consumers of this province in terms of delineating arguments against producers, who work in their own self-interest, as they ought to. I mean, that's the nature of the exercise. It's adversarial in some instances with producers wanting to maximize their gain and consumers wanting the

greatest possible choice at the least cost. In some instances, though, the balance just isn't there between the individual consumer and the large corporations. What the PUB does then is provide that balance. So we would like to maintain that balance.

We think that it perhaps detracts from the outstanding reputation – in fact international reputation – that the ERCB presently has. I can recall talking to individuals in Australia, Indonesia, and in the States who know of the Energy Resources Conservation Board and view it as basically being the epitome of what you would want in terms of an agency that has clearly set out the rules of the game and has a well-defined procedure for assessing investments, both the private benefit and the social desirability of those types of benefits.

In light of my comments, I would like, then, to introduce a reasoned amendment on behalf of the hon. Member for Fort McMurray. My colleague from Redwater has the amendments. Mr. Speaker, this is the middle amendment. We will not be moving amendment 1 or amendment 3. It is amendment B. It's by the hon. Member for Fort McMurray, and it moves the following . . .

MR. SPEAKER: Order please. Just for the record, there's nothing magic about the person who drafted the amendment. The hon. member who presents the amendment should do it in his own name, because there's no copyright on this.

DR. PERCY: Derogating a responsibility. I didn't want the hon. members on the other side of the House, Mr. Speaker, to be confused, given that the hon. Member for Fort McMurray's name was on the motion. I take great pride in moving this motion because I think it is well-intentioned and reasoned. I move that Bill 15, the Alberta Energy and Utilities Board Act, be not now read a second time because the Assembly feels that the Bill does not provide adequate protection for the interests of Alberta consumers.

MR. SPEAKER: The hon. Member for Redwater.

MR. N. TAYLOR: Thank you, Mr. Speaker. It gives me a great deal of pleasure to speak on this amendment to Bill 15. I want to get across to members opposite that this is not one of these marathon ones to keep you going forever on 15. We just had one very major point that we wanted to make, and that was that we do not feel that the merger of the Public Utilities Board and the Alberta energy board serves to help the consumer in the long run. I want to make that very clear. We wanted to get a vote on it and so on and so forth. There may be one or two more speakers on this side, and I don't know how many on that side, but the issue we wanted to be very, very clear to telegraph to the public, as the amendment says: "the Bill does not provide adequate protection for the interests of Alberta consumers."

It is good to remember that the PUB was set up way back in the early part of the century to control freight rates and passenger train rates within the province of Alberta. There was a national Act to control what trains could charge on interprovincial commerce, but there was nothing controlling what the railroads could charge and, in this particular case, what kicked it off was the railroad from Edmonton to Fort McMurray or in those days, I think, waterways, and there was no highway. The railroad felt that they could charge what they pleased, so we put in a Public Utilities Board, and through the years that has expanded from in the teens, when it just looked after railroads. It sometimes looked after air transportation. It certainly looked after the utilities. Natural gas and electricity were added to it. At one time it

looked after milk. It still does a certain amount of looking after milk, as a matter of fact.

It was a board that was set up, a quasi-judicial board, and as you know, in this day and age there's so much political action talking about how much separation we should have between the legislators and the judicial part of our government. In fact, when we have people like our Premier saying that we hire them so we can fire them, it's indeed very, very important to see how much independence there should be or how important independence is for a quasi-judicial board such as the nature we're talking about. But what's happened is that the PUB, although I believe it started out and originally there were five commissioners that were appointed for I think nine years and then it went to seven years at a set salary, was considered to be as free as possible from interference by the politicians.

8:10

Unfortunately, the politicians that were interfering in those days were Liberals and Conservatives, later on United Farmers, later on Social Credit. Now we come right back to Conservatives. This is the first Conservative government I believe that this province has ever had. So enter this Conservative government. Destruction of the PUB. The consumers' board has really fallen apart. Where we used to have a set number of commissioners, we changed in the '70s to as many commissioners as the order in council, in other words, as the Premier felt like. There were times when the PUB was a little bit snarky, they thought, and weren't doing the things they wanted, especially in the days when Alberta Power under the new ownership of ATCO trailer and a few others were trying to get under way. They didn't feel that should be so. So the Premier took upon himself the right to name more commissioners. That was one way of getting the decision he wanted.

The second thing that happened was that later on in the late '70s, the Premier and the order in council decided to set salaries, just as we hear now. This seems to be a congenital illness that afflicts those with Tory blood, Mr. Speaker. They can't keep their hands away from the judiciary. Sure enough, in the late '70s they started to see what kind of pay the commissioners should get. Lo and behold, if they didn't go on in the '80s and decide that the commissioners should not be seven years anymore but be only at the term and at the pleasure of the Lieutenant Governor in Council.

So we've seen the erosion of a Public Utilities Board that was set out there to help the consumer, represent the consumer against the powerful interests of the day, quite often owned by government, quite often in an almost quasi-incestuous relationship with government. We've seen the PUB that could be stuffed at any moment. This is in the late '80s. Salaries and the tenure of office can be fixed at any time or changed. The last stroke to put the PUB to bed . . .

Point of Order

Allegations against a Member

DR. WEST: Excuse me, Mr. Speaker, a point of order.

MR. SPEAKER: The Minister of Municipal Affairs, rising on a point of order.

DR. WEST: Standing Orders 23(h) and (i). Mr. Speaker, I stand to take issue with the comments of the hon. member. We've had today examples in this Assembly how allegations were made against government members, allegations that impugn that they can't be trusted or that they have manipulated a process in some way, whether it's a quasi-judicial board or the judicial system

itself. I find that continual, continual innuendoes and allegations to that are demeaning to this House and starting to cast a perception over the reputation of ministers such as myself and members of this House. I think it's high time that it stopped. It's done for political posturing. That's fair enough. But at one point in time it's going to start affecting my operation as a minister to the Crown.

MR. SPEAKER: Order please. The Chair stands to be corrected, but the Chair did not hear any allegations or imputations against an individual member. The Chair heard comments about government but not individual members. If the hon. minister will look at the standing order, it refers to: "imputes false or unavowed motives to another member" or "makes allegations against another member." It does not cover comments about government, the collectivity of a government's operations. The Chair would therefore say that point of order is not acceptable.

The hon. Member for Redwater.

MR. N. TAYLOR: Thank you, Mr. Speaker, I'll proceed. Actually, criticizing God sometimes gets a little tough in this Legislature, but I actually think the hon. member just wanted to show that he wasn't in his usual comatose stage.

Speaker's Ruling Parliamentary Language

MR. SPEAKER: The Chair would say that those comments are not in order.

MR. N. TAYLOR: I'll withdraw that. He does look awake, Mr. Speaker.

Debate Continued

MR. N. TAYLOR: To go on again with the history of the PUB, it was that, lo and behold, as I mentioned, it showed the degeneration from a board that had a set tenure, a set number of people, and set salaries, slowly taken apart through the '70s and '80s till just a couple of years ago when the past Minister of Energy moved it in as a part of the Department of Energy. So you can see that it moved from outside government entirely as a quasi-judicial one to part of the Department of Energy. Now we see the final putting to bed of the whole idea: PUB merged in with the Energy Resources Conservation Board.

Well, the Energy Resources Conservation Board. I'll give you a brief history on that. It was put together to make sure that this government or any government that was in power at the time – it came in under the old United Farmers – got the maximum amount of money for our royalty share. After all, the government of Alberta and the taxpayers indirectly own about – well, it depends what area you're talking about, but in general on oil and gas they own about 75 to 85 percent of the oil and gas rights. So they wanted to see that free enterprise didn't cut loose and destroy reservoirs by trying to produce too fast to pay the banker and so on and so forth, so there's where the word "conservation" came. It was to try to control the sale of the market. They also didn't want the market to suddenly dump if a discovery came in. You've got to remember that back in the '30s and '40s the oil market we had was fairly fragile, so if you turned a 4,000 barrels a day well – of course, we didn't have many of those; say a 2,000 barrels a day well – loose onto the market, you could drive the price from the stupendous price at that time of \$1.80 all the way down to 25 cents. So the conservation board was appointed to make sure that orderly marketing would continue and also that it wouldn't ruin the reservoir by the operators extracting or moving

too fast. In fact, you know what happened. Calgary used to have natural gas, and Turner Valley flared so they could get at the oil. The conservation board was one of the first that said: "Hey, hey, natural gas has some value. You have to build a pipeline to Bow Island, stuff it back in the ground. Then you can use oil that you sell that way, but you can't just flare the natural gas." So you can see that the conservation board was built to extract the highest amount of profit, if you'll pardon that expression, out of Alberta's assets.

The Public Utilities Board is set up here on the other side to make sure that they are not overcharged when the consumer is in a situation where a monopoly takes place. Therefore, the oil and gas company delivering natural gas, you might say, or the electrical company because there's no other competition can charge skyrocketing prices, then you have to go before the board and show that it actually cost you this much to build the poles and the wire or the pipelines or whatever the case may be, and you allowed a reasonable return and so on and so forth.

Now, when you merge these two together, which is really trying to put fish and fowl together, it's an impossibility because you've got one side out there to extract the maximum amount from industry; the other board was there to try to make sure they only got enough to make a bare profit. If you put them both under the wings of the government, you've got troubles, Mr. Speaker. You're not going to have troubles in Calgary and Edmonton, because they are big enough with nearly half a million in each to have the lawyers and engineers and all the experts necessary to fight the government – the government quite often is the owner of a great deal of the gas – and the utility companies against price increases. They have the wherewithal to hire the experts needed to take a part, and more important, Mr. Speaker, they also have the ability because they're in a big enough group to maybe even set up alternate means of generating power, as we do out here in Edmonton, as Medicine Hat has with their own gas. In other words, if they are a big enough group, they can set up their own utility companies and they're producers and compete.

The small towns, the rural consumers of Alberta will no longer have anybody to look after their interests if there comes a gouging by utility prices. This is particularly shocking from a government that likes to pride itself on being friends of the rural voter, the rural residents. Here they're going to sit back and get rid of the only institution we had that stopped the rape and pillage of the rural consumer when it came to utilities and monopolies. They're going to get rid of it. They said: no, we're not getting rid of it; you'll still be able to find it somewhere; we're going to merge it in here somewhere. Well, it's going to be a merger, a multiple marriage, Mr. Speaker. Like the 35th concubine that joins the harem, nobody's going to be able to find it. They've got the nerve to say that this marriage is going to bear fruit. It might. It might for the pockets of the government and some of their supporters and maybe for the big utility companies but not for the small consumer in the small town out there. This is the main purpose of making this amendment.

8:20

Now, I know it's going to be defeated, Mr. Speaker. That's the whole nature of the thing. When you click your fingers up there, they either bark or start flapping their flippers, but whatever they do, they all work together. I don't think anyone, even a rural one, knowing what this is about will have the courage to support this motion. I want it to be on record that there is one side of this House that was willing to fight.

MR. STELMACH: You don't have too many left to fight on that one.

MR. N. TAYLOR: I see the hon. Member for Vegreville-Viking has also wakened up. Mind you, we were at the same dinner, I think. I ate more strawberries than he did, so I'm ready to go a little farther.

The fact is, Mr. Speaker, that we don't have anyone speaking for the side of the small consumer, the small towns, and our farmers. We want to be on record, as it says quite clearly here, that the Bill does not provide adequate protection for the interests of Alberta consumers.

Thank you, Mr. Speaker. [interjections]

MR. SPEAKER: Order please. Before proceeding further, there have been requests from hon. members on both sides to revert to the introduction of guests. Is there any opposition to this?

HON. MEMBERS: Agreed.

MR. SPEAKER: Opposed? So ordered.

head: **Introduction of Guests**

MR. SPEAKER: The Chair will call them in the order that the Chair received notice.

The hon. Member for Medicine Hat.

MR. RENNER: Thank you, Mr. Speaker. It's with pleasure that I rise to introduce to you and through you to members of the Assembly a fine member of the Medicine Hat population visiting the Legislature for his first time this evening. Mr. Donny White, curator at the Medicine Hat Museum & Art Gallery, is in to watch how democracy works in this province. I'd like to ask him to rise and receive the recognition of the House.

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

MR. SAPERS: Thank you, Mr. Speaker. It is with tremendous pleasure that I rise to introduce to you and to all members of the Assembly a remarkable group of young Albertans that I just had the pleasure to meet the other day. They're gathered to visit the Assembly. It's the Forum for Young Albertans, who are giving me renewed faith in the future of this province. They come from every corner of this province. I understand there might even be a representative that lives in the Beiseker area. I would ask all members of the Assembly to join me in giving them the warm welcome of the House. They're seated in the public gallery.

MR. SPEAKER: The hon. Member for Vegreville-Viking.

MR. STELMACH: Thank you, Mr. Speaker. I wish to introduce to you and through you four members of the Vegreville-Viking constituency who are part of the Forum for Young Albertans. We had the pleasure of some good, lively discussion earlier. I'd like to introduce Kathryn Andrusky from Vegreville-Viking, Janessa McCauley, Tracy Soldan, seated in the members' gallery, and Cordelia Poezynek from Mundare seated in the gallery behind you. Thank you. Will they please rise while we wish them a warm welcome.

MR. MAR: Well, Mr. Speaker, it also gives me great pleasure to introduce a couple of my constituents, Barb Macleod and Chris

Willott, who reside in Calgary-Nose Creek. I ask them to rise and receive the warm welcome of this House.

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

MR. HAVELOCK: Thank you, Mr. Speaker. I'd likewise like to do the same and introduce to you and through you to the members of the Assembly two of my constituents. We had a delightful dinner, and I toured them through the House and certainly visited with the Speaker in his office. They are Hubert Cheng and Rob Early. Would you please stand up and receive the warm welcome of the House. I believe they're over on this side.

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

MR. DUNFORD: Thank you, Mr. Speaker. I want to introduce three young people to you. One happens to be from Lethbridge-West, but I also had the pleasure of meeting a constituent from the constituency of Stony Plain and also from Bonnyville. I'd like to introduce these three young people if I could. Timothy Craddock from Lethbridge-West is up in the public gallery. If he would stand. Holly Daegnon I believe is in the members' gallery. Hi, Holly. Mark Turner from Stony Plain. If we'd give them a warm welcome.

MR. SPEAKER: The Minister of Public Works, Supply and Services.

MR. THURBER: Yes, Mr. Speaker. It's indeed a pleasure for me to be in on the introductions here tonight of some of these young people. I found them very interesting. We had a nice meal with them and a tour. I'd like to introduce one special person, a constituent of mine, a lovely young lady by the name of Vicky Orlick, and I wish she would stand and be recognized and receive the warm welcome of this House.

MR. DOERKSEN: Mr. Speaker, not to be outdone, I'd like to also welcome a member from Red Deer-South constituency, which is, of course, the finest constituency in the province. There's a young lady by the name of Melanie sitting in the members' gallery who comes from Red Deer-South. We had time to chat at dinner as well. I already showed her how passing notes around the Legislature works. Melanie, would you please stand and receive the warm welcome of the House.

head: **Government Bills and Orders**
 head: **Second Reading**
Bill 15
Alberta Energy and Utilities Board Act
(continued)

MR. KIRKLAND: Thank you, Mr. Speaker. It's my pleasure this evening to stand and speak in support of the amendment submitted to Bill 15. You've heard me say it before, Mr. Speaker: we certainly endorse the principle of search for efficiencies. It is a positive move. It's an attempt to streamline. We certainly understand that as being a step in the right direction. When we look at attempting to deal with the regulatory process and the reduction of costs, I believe that's in the best interests of all Albertans as well. There is no misunderstanding here. We realize there's also an attempt to reduce the overlap that's associated by amalgamating these two boards, and we're also aware of the fact that the industry is responsible for funding some 50 percent of that particular board. The move to amalgamate should in fact result in reduction of red tape. That also is a desirable attribute to grasp.

However, the hon. Member for Redwater alluded to it, and the hon. Member for Edmonton-Whitemud also suggested that in fact we have to keep in our mind that foremost is the concern of the consumer. When we look at the consultation process that has occurred, we are led to believe that in fact the oil and gas industry was consulted at length, the utility companies were consulted at length, and the business district was consulted at length. Missing in the consultation process, I would suggest, is the consumer sector. Now, the nature of the ERCB and the PUB – when we deal with that, we must ensure that there is a balance of all interests represented there. I would suggest that Bill 15 does not capture a fair representation for the consumers.

When we look at the legislation itself, it does not provide for a limit on the number of board members. So if we were to simply amalgamate the two, we could end up with a rather unwieldy board of 16 members. Those 16 members have not been further broken down to ensure that the different sectors that I've suggested must be represented should be represented. So it poses a large concern in our mind. The consumer in most cases does not have an advocate to come to the forefront and ensure their interests are looked after. It does cause me a concern that this Bill has not gone to the point where it delineates and ensures all interests are cared for and looked after.

8:30

Presently the industry is funding half of the cost of the ERCB, and if my figures are right, it funds two-thirds of the cost of the PUB. That in itself poses a confusion to me in my mind. It's an area I think we have to address. We talk about fairness. We talk about representation of the different sectors involved here, and the consumer is certainly one. When we have a Bill put forth that does not rationalize the funding and the funding aspect of it, I would suggest it also points out that there are some shortcomings or there are some deficiencies as far as representing the consumer group itself.

Bill 15 does not include a formula to actually address those cost-sharing aspects, Mr. Speaker, so I would suggest that it's going to lead to confusion in exactly how the board is funded. It will lead to confusion as to what sectors of the Alberta public are represented and to what degree. If we look at the oil and gas industry and we look at the utility companies and we look at the consumer group in this province, certainly the consumer group is by far the largest in number, and I would suggest that it is incumbent upon this Assembly to ensure that that group certainly has fair representation on the board. That is the reason I stand to speak in favour of the amendment. I do believe the Bill falls short of ensuring that our consumers are properly represented on that particular board.

Mr. Speaker, with those comments I would ask all in the House to give due consideration to ensuring their consumers and their constituents in this case are duly represented on the board. If the initial amendment does not suit their purposes, certainly there is ample opportunity to bring forth amendments at a later discussion to ensure that we have sectorized the different areas that are involved in this board and ensure that we have fair and just representation of all. Certainly nobody wants to see the oil industry disadvantaged by this Bill. Nobody certainly wants to see the utility companies disadvantaged. I would also suggest that we do not want to see the consumer disadvantaged. There's a general perception in the province, with all due respect, that the utility companies sometimes seem to have it their way too often. So the demise of the Public Utilities Board certainly is going to cause a large concern in the consumer's mind in this province. It

is the last bastion, I would suggest, of attempting to come to the advocacy of the consumer.

With those comments, Mr. Speaker, I would conclude my comments and ask all to consider the consumer and your constituents in this province.

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

HON. MEMBERS: Question.

[Motion on amendment lost]

MR. SPEAKER: Is the Assembly ready for the question on the main motion?

HON. MEMBERS: Question.

[Motion carried; Bill 15 read a second time]

Bill 17

Treasury Department Statutes Amendment Act, 1994

MR. SPEAKER: The hon. Minister of Environmental Protection.

MR. EVANS: Thank you very much, Mr. Speaker. On behalf of the Provincial Treasurer I move second reading of Bill 17.

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

DR. PERCY: Thank you, Mr. Speaker. I wish to discuss some of the principles embodied in Bill 17 and ultimately speak in support of the Bill. The Bill as it is set out attempts to incorporate some of the recommendations of the Financial Review Commission. What it attempts to do is reduce the number of revolving funds and regulated funds and collapse them either into a net budgeting framework or collapse them into the general revenue fund. The reason for that, then, is to basically streamline the provision of government services and reduce costs. Certainly when you analyze what the impact of that will be, it will have no effect on the consolidated deficit, and in that sense, then, it doesn't change the overall books.

By collapsing these into the general revenue fund, though, you will get a change in the deficit as measured on an operating basis, but the reality is that the best overall measure of the government's net indebtedness in a particular year and how it's changing is given by the consolidated deficit.

So what we observe, then, when we look at this is that it will streamline the process. It appears, at least from our reading of the Bill and from discussions that we have had through a technical briefing, that we will still have the same level of clarity in terms of defining what is spent, where, and by whom, which is of interest. Certainly part of our job as opposition is to ensure that dollars are accounted for and are spent in a fashion that has been legislated.

There are areas in the Bill, though, where we do have concerns. Let me just address some of those concerns. What the Bill does, over and above eliminating and collapsing a number of these various funds, revolving funds and regulated funds, is it also amends the Financial Administration Act. We certainly have some concerns. If hon. members were to turn to the Bill and look, for example, to the amendments that deal with section 28 of the Financial Administration Act, what that does is change in fact the detailing of write-offs and compromises and various obliga-

tions of the government, but perhaps more important is what is done in section 28.

Here we have serious concerns, which we have discussed with the Provincial Treasurer, and it is our hope that there will be an amendment forthcoming when this goes to Committee of the Whole. What section 28 presently does is amend the Financial Administration Act

by striking out "of all remissions, compromises and write-offs" and substituting ", in the form the Provincial Treasurer considers appropriate, of remissions and compromises".

That, Mr. Speaker, is unacceptable, because what it does is allow the Provincial Treasurer to deem what is appropriate in terms of the presentation of financial material. We do not think it is appropriate to let the Provincial Treasurer determine what is appropriate in terms of providing information to this Legislature or to taxpayers. It is our understanding that in fact this will be amended and that the status quo will prevail and that the Act will be amended to reflect, then, our very serious concerns over the carte blanche that would have been given the Treasurer by that particular amendment.

We also have some concerns with regards to what's happening to sunset clauses. In the first session legislation was passed that was very clear in terms of putting a sunset provision in place for a variety of government agencies, and what this Bill does is in a sense provide a much greater flexibility to the provincial government. Now, again it is our understanding that the Treasurer argues that this is required because when an agency is being wound down, there may be a period of time in which firms that are dealing with the particular agency want some certainty that they will actually be paid once the agency ceases to exist. However, the provisions in this particular Bill are a bit open ended and in fact just allow again the Provincial Treasurer and the Executive Council carte blanche in terms of the regulations with regards to sunset clauses. We would like to see that changed.

8:40

What happens is that the original legislation in the Financial Administration Act was written in such a way that it dealt with the cabinet's ability to make an order

necessary to accomplish the discontinuance of a Provincial agency or Crown-controlled organization, including . . . contracts of employment, assets or liabilities

in these entities, and the duties and obligations of these entities are now amended by the following: "advisable in relation to." I certainly think the term "necessary to accomplish" is far stronger than "advisable in relation to."

Point of Order Relevance

MR. WOLOSHYN: Point of order.

MR. SPEAKER: The hon. Member for Stony Plain, rising on a point of order.

MR. WOLOSHYN: With all due respect, *Beauchesne* 659 states quite clearly:

The second reading is the most important stage through which the bill is required to pass; for its whole principle is then at issue and is affirmed or denied by a vote of the House. It is not regular on this occasion, however, to discuss in detail the clauses of the bill.

The hon. member across the way stood and indicated that he was supporting the Bill in principle and that he may have some problems with it. I certainly would concur with the support of it. However, I would ask that he focus on the principle of the Bill, and then we will go through a clause-by-clause review, at which

point I will be just most gracious and listen to his every eloquent word on each clause.

Thank you, Mr. Speaker.

MR. SPEAKER: I guess the Chair has to quibble with the hon. Member for Stony Plain. The hon. Member for Stony Plain was absolutely correct with his assessment of what second reading is about, but that ruling really applies to ordinary Bills that deal with one thing. By the very nature of this Bill, it's a housekeeping Bill and covers many, many aspects of the thing. Therefore, the Chair is willing to give a little more leeway than applies to a stand-alone Bill as opposed to one of a more omnibus nature.

DR. PERCY: Thank you, Mr. Speaker. You said that far better than I could have, because this is in fact an omnibus Bill with a variety of provisions in it, and it's necessary then in talking to it to refer to specific provisions of the Bill. It's not a thematic Bill other than in a general sense of trying to in certain sections streamline the financial environment facing the government.

Debate Continued

DR. PERCY: In terms of some of the housekeeping provisions of this Bill we have concerns, and I have made those known now because certainly it is our understanding that some of these concerns will be dealt with in detail in committee with amendments on the part of the Treasurer.

One other aspect of this Bill that I think does bear mentioning, Mr. Speaker, is that it also increases the debt limit of the province by \$1.5 billion. This of course is a reflection of the consistent overspending that occurred from 1986 on. What we're seeing, then, is the consequences of a government that did not know when to say no, did not know when to prune programs, did not know when to reduce costs. They waited in fact till they had signals from financial markets to do what was right rather than doing it before it was too late.

The Bill allows, then, for an increase in the debt limit of \$1.5 billion. On one hand we could stand here for the evening and argue that this is really a reflection of financial ineptitude. However, it is set out in the budget that there is a plan, and we believe that certainly in the Deficit Elimination Act, Mr. Speaker, there is a structure for an orderly reduction of the deficit. In order to attain that orderly reduction of the deficit to zero, it is necessary in the interim, then, that the debt limit increase, and that is a reflection of past government ineptitude, I think is the only word that fits this. So that is part of this Bill as well, and it is with reluctance that we would agree to that, but it's necessary because that is the cost, then, of overspending, and it's the cost, then, of not having a hand at the tiller that would steer a straight course.

Other provisions of the Bill again that we are in support of eliminate the capital fund. We think that has been overdue, and it is something that we are in support of.

Really when you look at the Bill overall, it has a variety of very narrow technical provisions, and that relates to the elimination of this variety of funds that will have no effect on the consolidated deficit. It allows an increase in the debt limit. Interestingly enough, Mr. Speaker, section 26 provides an amendment, then, to the Financial Administration Act under which the Provincial Treasurer may order the remission of any debt considered to be in the public interest, a case of great injustice or hardship, from a level of \$2,000 to \$25,000. I guess that's a sign of inflation, or it's a sign that this government is so used to dealing in numbers like \$640 million, \$107 million here and there that an increase in forgiveness from \$2,000 to \$25,000 is just a matter of course.

I'm sure that this will come up in discussions in committee and subsequently.

But overall, when we look at the Bill, we would hope, then, a Bill such as this, which is housekeeping in nature, would proceed relatively rapidly, and it will, given that certain amendments are forthcoming on the part of the Provincial Treasurer.

With those comments, Mr. Speaker, I will conclude.

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

MS CARLSON: Thank you, Mr. Speaker. In general I support the intent of this legislation. The areas of it that I support are the eliminating of duplication and overlap, improving in general the financial reporting procedures, and the reduction of administration costs. I definitely support the move to eliminate the great number of regulated funds that now occur and that we need to have these transactions take place within the general revenue fund. Those are all good, basic principles. But I do have several concerns with this legislation, and I hope that they will be addressed in amendments prior to this Bill being passed and that we'll see those happen shortly.

Write-offs, compromises, and remissions are an area of great concern for me. Bill 17 removes the obligation of the Treasurer to provide a statement of write-offs, which is currently required under section 28 of the Financial Administration Act. It must be the accountant in me, but every time somebody writes something off, I expect to see some detail and can never understand when it isn't forthcoming, and I think in particular a government has an obligation to do this.

This change here also gives the Treasurer the ability to prepare a statement of compromises and remissions in the form that the Treasurer considers appropriate. Now, particularly given the recent and past history of this government, I am very sure that what the Treasurer considers to be appropriate will not be what the Official Opposition or the people of this province consider to be appropriate. So that's something that I think needs to be addressed in some detail and at great length before this Bill should be passed.

The Treasurer indicates that these changes really streamline financial reporting, making it easier for the reader to understand what's happening. I don't know that that's going to be true. I think there are cases where detail is necessary and is applicable, and I think this certainly is one of those cases.

It's true that an allowance for loss is already made for accounts receivable when in fact it is determined that accounts receivable collectability may be impaired. This allowance is now included as part of the consolidated deficit for the fiscal year. Many cash payments and recoveries made through the GRF on accounts receivable are already presented in statement 5.6 of the public accounts in volume 2, and then providing another write-off in statement 5.1 of the public accounts, volume 2, can often be confusing to the reader. I think we really have to address this issue. Write-offs should be viewed merely as an accounting mechanism used to recognize that management will no longer attempt to collect a debt obligation. Who decides and how it's decided that management will no longer attempt to collect a debt obligation is something that needs to come under the scrutiny of this House. I don't think that kind of power can be put in a specific person's hands, and I think the details on that issue need to be outlined and discussed and debated right here in this Assembly. Write-offs don't increase the province's debt and deficit because the liability has already been booked under the general revenue provision when the loss is deemed to be incurred.

The decision to allow the Treasurer to decide what is appropriate for inclusion in the remissions and compromises statement is a very serious concern in this Bill. We have to remember here that a remission is a debt obligation, a royalty or fee which is forgiven, in this case, by the Crown. A compromise is a settlement between the Crown and the debtor of an obligation for less than the amount that is owed. Under the current legislation "the Provincial Treasurer shall prepare a statement of all remissions, compromises and write-offs made or approved" in a particular fiscal year. This is now being watered down by the changes proposed. Again, when we go over the recent and past history of this government and we think in terms of the NovAtels and the riverboat fiascos and all the other great, numerous areas of concern from a fiscal responsibility perspective, I think that giving the Provincial Treasurer this kind of latitude is far above and beyond what the people of Alberta are expecting or in fact are demanding in terms of responsibility from this government.

8:50

Clearly, before this Bill should proceed, we need some detail on the criteria which will be used by the Treasurer to determine what is appropriate for inclusion and what is considered inappropriate for inclusion. In fact, on this point alone I would vote against this Bill if we didn't see an amendment or some detail coming forward from the government side to outline what in fact the intention is in this regard.

There are also some changes proposed here that allow the Treasurer the ability to compromise a part of a debt obligation owing to the Crown or a provincial agency if it is determined that the debt is not recoverable or that the recovery of the amount owing is not cost-effective. Well, I can tell you that in my 15 years of business I've not had a single client who wouldn't think that if the banks in fact adopted this proposal, it would be a great day for small business in this province. I would hope that, again, before this goes forward, the Provincial Treasurer will come forward with some criteria in this area, some criteria that will be put in place which will determine what it means to compromise the collection of a debt obligation. Is it because you're a friend of the government? Is it because you have no intention or simply made no attempt to pay down a debt? Is it because you are in effect bankrupt? We need to know what the criteria are there. I don't think to just include a line in here that says that a debt is not recoverable is substantive enough for anyone on the government side or the Official Opposition side to agree, that that's adequate in this particular instance.

Again, we need a definition of cost-effectiveness. What does that mean? How will that definition be utilized? There's definitely in this Bill a lot of detail that's missing. I certainly hope that at some point someone from the government side will be addressing these particular concerns and providing some additional detail or in fact some amendments.

All the compromises, the remissions, and the write-offs should be continued, I believe, to be presented in the financial statements of the province. In fact, I believe they should be presented in greater detail. I think the people of Alberta have a right to be able to review the government's performance in this area. It's something that they haven't been entitled to in the past. I think that in terms of complying with freedom of information, broader guidelines, which this government espouses that they're going to be bringing in, it would be acting in good faith for them to do that, and it would be something I think the people in this province would certainly encourage and would feel appropriate for them to be able to review. Certainly on our side of the House we feel that it's a mandatory obligation of ours to be able to review those types of items.

While we recognize in this situation that there may be some confusion created between cash payouts made through the GRF, as presented in statement 5.6 and then the later recognition of these payments in statement 5.1 under write-offs, it is important that the government remain committed to full financial disclosure. I said committed, but in fact it would be nice if they committed in the first instance to do this. I think it would be something that would be well received on this side of the House, and we would be happy to work together with you in achieving that goal.

Rather than reducing the amount of financial disclosure by eliminating the need to present write-offs and limiting compromises and remissions, we feel that the government should more fully recognize the recommendations of the Alberta Financial Review Commission to provide more useful reporting on compromises, remissions, and write-offs through a detailed management discussion and analysis document. Now, what this would include would involve the preparation of a more extensive report than the sparse 1992-93 overview of the consolidated financial statements that we have seen in the past. A more detailed document would then in fact give the reader more useful information on the province's financial position. I would put it to the government that there are any number of people both on this side of the House and in the general public who would expect to see that kind of documentation, who would read it and review it and who would respect the government for having put forward that kind of detail.

I also have some concerns about the borrowing limits outlined in this Bill. It increases the debt ceiling of the general revenue fund from \$20 billion in 1993-94 to \$21.5 billion in '94-95. The \$1.5 billion increase in '94-95 is required to cover the borrowing requirements of this government and to finance the consolidated deficit of \$1.55 billion. The increase in the debt limit continues the pattern of rapid growth in the debt limit under the Financial Administration Act which occurred during the previous Premier's rule.

Now, I find this particularly disconcerting in these economic times, when this government has made a commitment to deficit reduction and has done that to this point on the backs of Alberta taxpayers. I find it abysmal in the least to see that they find a need to increase their borrowing limits at this point in time. I would like to know exactly how they intend to explain this to the people of this province who have lost their jobs, who are facing layoffs, who are looking at kindergarten reductions, who are looking at reduced options for their children in the school system, who are looking at user-pay fees in the health care system, who are looking at actual elimination of hospitals, who are looking at all kinds of substandard service that will be available to them in the future from a government who has promised debt reduction and instead increases borrowing limits. I think that's something that someone on that side of the House needs to address and needs to address quickly.

Just to give a little history on where we've gone with debt in this province, in the past nine years the government has raised the debt ceiling under the Financial Administration Act by \$19 billion, which is only an increase of 864 percent, significant in the least and something that I think needs some significant explaining. In the past two years, under this Premier, the debt ceiling has been increased from \$17.5 billion to \$21.5 billion, an increase of 23 percent. The increases in the debt ceiling under the Financial Administration Act continue.

Again, I think in light of this government's policy in the media it needs to explain why and how this is happening, when we can expect to see a reversal of this position. Or are you in fact truly following the New Zealand model, and will we see a tripling of the debt under this administration in the next few years?

9:00

MR. DUNFORD: You wish.

MS CARLSON: One of the hon. members from the government has said that I wish. I don't wish that at all, and I would like that to be on the record. In fact, it is a move that this government is taking forward to the people of this province, and I think you should be prepared to explain yourself.

Since we have had our current Premier, Alberta's debt has grown by \$3.6 billion, or \$7.5 million per day. That's per day, ladies and gentlemen. That's a great number of dollars to be expending on debt when people are losing their jobs. Under this Premier's plan Alberta's debt will grow to a staggering \$35 billion by 1997, and debt servicing costs will be in the range of \$35 billion. That's a lot of money, ladies and gentlemen, and I certainly think it needs some explaining. This current government has caused this situation. You people on that side of the House have created this problem. We are looking to you to solve it. It seems to be beyond the realm of your expertise, and you should in point of fact ask for some assistance, because you certainly need it.

This party, our party, the Liberal Official Opposition, is the only political party which has made any recommendations regarding the orderly paydown of the province's \$32 billion in accumulated debt. One of those provisions was that we support . . . [interjections]

**Point of Order
Questioning a Member**

MR. SPEAKER: Order please. Order please. The hon. Deputy Government . . .

MR. EVANS: Would the hon. member entertain a question? [interjections]

MR. SPEAKER: Order.

MS CARLSON: Ask the questions on your time, not mine.

Debate Continued

MS CARLSON: This party supports the orderly liquidation of the heritage trust fund and application of the proceeds to pay down debt. There is no doubt that the majority of people in this province support that position. You refuse to listen to them, and you refuse to take responsible financial steps to recover from the debt that you have in fact accumulated for all of us. It simply makes little sense for us to continue to borrow money and mortgage the future of our children when we have \$8.5 billion sitting in the heritage trust fund at this point in time.

A recent report by Mumej states that selling the fund's assets to pay down the debt would not only reduce the burden of annual debt servicing costs but would allay public apprehension about the future costs of government intervention, something which you as a government in power certainly need to address. This would also help the province's credit rating and could stimulate long-term investment in this province. If there's going to be a future for us, not to mention our children, then certainly long-term investment is something that we need to encourage.

I'd just like to share a quote with you from Moody's of March 19, 1994, when they said: reflecting the recurrence of sizable budgetary imbalances since the late 1980s, Alberta's debt burden has grown appreciably; refinancing requirements for outstanding maturities will be significant over the medium term. So what the

"medium term" means is that it doesn't matter how many kindergarten hours you cut or how many jobs you cut; you're still going to have significant financing problems. You have yet, to this day, to address any of them in a reasonable and comprehensive manner. CBRS, on March 25, 1994, and I quote: its debt and interest payments, which are increasingly significant, remains a concern. The province's debt accumulation remains a concern. Well, it doesn't only remain a concern to this group. It remains a concern to the people of this province, and it remains a concern to this side of the House. It's just too bad it doesn't remain a concern to that side of the House. DBRS, February, 1994, the federal and provincial governments in Canada: strengths and weaknesses from a credit rating perspective. I quote: interest costs have skyrocketed for most provinces; Alberta's are up 13 times since 1985. That's 13 times, ladies and gentlemen. Alberta's per capita debt and unfunded pension liabilities has increased from \$7,624 per capita in 1989 to \$9,954 per capita in 1993.

It seems that the Premier has the same intention here in this province as he had when he was the mayor of the city of Calgary and substantially increased the per capita debt for those people so that now they are facing a municipal crisis in terms of debt repayment for the average taxpayer in that city. Is that what the people of this province have to look forward to from you? It certainly looks like it, according to this Bill and according to the steps that you folks have taken.

AN HON. MEMBER: The crisis is in Ottawa, not here.

MS CARLSON: The crisis is here, and the crisis remains here until you choose to address it in a responsible fashion.

I also have a concern with the discontinuance . . . [Ms Carlson's speaking time expired]

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

HON. MEMBERS: Question.

[Motion carried; Bill 17 read a second time]

Bill 22

Maintenance Enforcement Amendment Act, 1994

[Debate adjourned April 19]

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

MR. AMERY: Thank you, Mr. Speaker. I'd like to take a few moments here to thank the members who participated in this debate on Bill 22. I'd like to answer a few of the questions.

MR. SPEAKER: Before we proceed any further, is the House in agreement that the hon. Member for Calgary-East can close debate?

SOME HON. MEMBERS: No.

MR. SPEAKER: Well, then the hon. member cannot have the floor.

The hon. Member for Redwater.

MR. N. TAYLOR: Mr. Speaker, thank you very much. I was going to say something, but I couldn't recall who had introduced the Bill. I thought it was the hon. member, but he will get his chance to close debate if he wishes tonight.

I wanted to say a word or two about this Act because this has been something that has been quite near and dear to me for some years: the whole question of maintenance. As a matter of fact, I proposed an idea way back in the 1980s, I think it was, the middle '80s, and it never seemed to catch on. I may get a chance here to talk about it tonight. Although I understand what the government is trying to do, it is such a weak effort that it leaves one torn whether to bother with it or not. I think it's going to be very difficult indeed, although I'd be willing to listen and see what kinds of amendments are made. But as it stands now, if it's not changed around, I think I would find it very difficult to vote for.

Briefly put, Mr. Speaker, it continues the idea of a confrontation between the two parents after their marriage has broken up. In other words, it's looked at very much the way our lawyers look at it possibly. Not being a lawyer, I've never been able to understand it, but it is really a reversion to trial by combat. As you know, at one time we didn't bother having lawyers at all; we had knights in armour. You could throw a glove in somebody's face and somebody else could throw a glove or their shorts or whatever it was in your face, and then you'd go out and hire two people on horseback to run at each other. Whoever won would be considered the winner of the day. As time went on, Mr. Speaker, it got too expensive to hire these guys with all that aluminum machinery. It was cheaper to hire lawyers back in those days. They're more expensive now, and we may have to invent another system too. But as society progressed – and some people would argue it wasn't progress; it was going backwards – we decided it would be better if they talked to each other. Well, the old trial by combat had something going for it that the lawyers don't, because at least the guy who lost the case usually lost his life. Now they go back out and they can keep charging, going on and on and on forever.

9:10

Anyhow, this trial by combat concept, which much of our legal profession is schooled in – and they fight tooth and nail the idea of arbitrating a decision or referring things to arbitration. After all, we should go to the courts. Oh, the cold stare I'm getting from all sides of the House here. This perpetuates the same concept when you say that the loser in this case or the person that is not bearing up and paying – and it'll be men most times; they're usually the ones because society leaves children with the female of the species – will have their driver's licence suspended. Well, there are all kinds of things we could do. We could chop off the little finger. We could cut off their bar privileges or whatever it is. It's still a punishment.

[Mr. Clegg in the Chair]

What is wrong with this Act and what was wrong with the whole maintenance enforcement business – I've gone after the Minister of Justice on this a number of times, but he who will not listen is the hardest of all to talk to. I think he's a person of goodwill and a person who has the best of intentions but is so hidebound in the traditions of trial by combat that it is hard to get through to him. How can you expect a marriage that broke up, a man and a wife, to suddenly start agreeing or suddenly tell one party that they've got to go collect from the richer party the money to look after the family? It's just not possible. If they couldn't even agree on which side to fry eggs or which side to sleep on in bed and which show to go to, how in the dickens are they going to agree on something as important as maintenance? Maintenance then becomes the weapon, the sword, that each tries to strike at the other with, cutting off maintenance or maybe

making it late or maybe even making it so the cheque has the wrong date on it so it bounces. Just enough to annoy the dickens out of the other side.

So we're going to fix all this by taking away their driver's licence, but we're still perpetuating the idea that they have to negotiate with each other. My argument, Mr. Speaker, is that that is ridiculous. We have to look at another system. Let's look at another way that we can look at this whole area. What has society done when they have made maintenance so – what would be the word I'm trying to think of, Mr. Speaker? It comes in late one day and early the next month and not at all the next month.

AN HON. MEMBER: Irregular.

MR. N. TAYLOR: Irregular; that's right. You've got the grocery person and the landlord waiting and maybe the social worker if you're hard up, if you've got two or three or four children. After all, a lot of times passion overruns sense, and they get married when they don't have the education to hold a good job. So after two or three kids, the spouse takes off, and they don't have the education to hold a job. If the money doesn't come in, it's back to welfare.

So we tell the party that needs the money, that's looking after the children: not only do you have to beat off the landlord, not only do you have to pay to get groceries for them, not only do you have to pay user fees for children going to school or for music lessons, because the government doesn't need that, but then you've got to go out there and try to collect money from this deadbeat that's taken off. To make matters worse, you've got the social worker barking at you, saying: "Well, did you hire a lawyer? Have you seen the lawyer? Have you seen the government? Have you done all this?"

So what happens? Usually what happens is the parent that's left goes on welfare and tries to stay on welfare, saying the heck with chasing the offending parent. The offending parent has a chance to go on and maybe make another marriage, and it goes on and on and on. So by the time the years roll by, we've got a fellow with about five or six people chasing him for support, and a minister saying: "Don't worry. We'll get them. We'll get them. The wheels of justice grind slowly, but they grind fine." You try to buy any groceries or try to pay any rent with that line of argument. What we then get is the instability of a marriage that reflects through. We've got the juvenile delinquency. With a single parent working, it's hard enough to raise a family, but if you have to chase for the money between either the government, the welfare people, or the recalcitrant spouse, that adds to the chance that the children are going to be a drag on society. There surely must be another system. I've said that many, many times.

One time I had business internationally. I was in Austria after the war. They have a system there. It was intriguing. I looked into it, and then I found out there was the same system in Australia. The two As. It's very easy to remember. What happens is that they go through the same system we do up until child support is decided in the courts. Then the state takes over. The state pays the money from there on. Before all you right-wingers go ape suddenly, the state just pays it but runs the account. The state collects just as if it were income tax from the recalcitrant spouse. So therefore the spouse that's in charge and has been granted a maintenance payment can figure it's coming in like clockwork, like a pension cheque, month after month after month from the government, and the government in turn goes after the spouse. So that takes the whole idea of friction and meeting each other and the fighting that goes on, and the state is

in a much better position anyhow to collect, especially if it's done by the revenueurs, or the income tax department.

It's what we do now. You see, now we've got this maintenance enforcement thing that only triggers in after the spouse complains enough, and so on, and what it does is cost us a fortune. Not only are we paying a maintenance department that's going stop and go, because as long as they know that they can drive the spouse that needs the money nuts by being slow and making them go back and forth to court, the spouse will continue to do so. If they knew it was rex or Queen Elizabeth II in the person of the Alberta government that sent them the cheque, they wouldn't jack them around at all. They'd pay off so fast, you'd be surprised. They might even give postdated cheques. Who knows? But when they think they can drive the spouse nuts, that's what they will do.

The second thing where it would save money also is the fact that they wouldn't be back and forth on welfare. Because right now when the recalcitrant spouse does not pay money, it throws it back on the taxpayer. So the taxpayer under the system I'm talking about that they used in Austria and Australia saves money three ways. One, the family gets a solid position so you don't get the juvenile delinquency that you would normally get from a family that has the instability of the mother looking for the money. Secondly, it saves money in that you're not kicking in and out of a minister's department to pursue the spouse that is not paying up the money, because it's all become part of the whole tax collection scheme. Thirdly, I've also mentioned welfare.

Therefore, when I'm speaking on this I have to vote against it with a heavy heart because all it does is perpetuate a system that it's time we threw out, perpetuate the whole idea of confrontation. We've got to go with something else.

I may add one last shot. Suppose it's a male spouse – it usually is, as a matter of fact – that takes off and leaves the children. Or the wife has taken off. It doesn't matter. But the court has decided who should get what, everything is divvied up, and the court has decided the maintenance. I won't get into who is at fault with that. But suppose it goes in. The spouse in charge of the family, the mother, does put in motion that this man's driver's licence then ends up being canceled. Haven't you thrown one more thing for him to be get mad at and fight about, to go driving by at night with somebody else's car maybe, making faces in the living room window or whatever they do when they're unhappy with what the spouse has done? Or phone up the kids and say: "What's the matter with that crazy old lady of yours? Now I can't get out there and drive that Mustang any more." That type of thing. All it does is perpetuate what the heck was wrong before.

9:20

So I would ask the members opposite to just think about this and take it back for a minute and maybe corner the Minister of Justice in one of the cabinet meetings you're having or one of your caucus meetings and try to bring him into the 20th century or the 21st century and rethink the whole concept of how you do maintenance payments.

I see the hon. member grinning over there. It's causing me to laugh for a minute and reminds me of a story, but I won't say it now, Mr. Speaker. I would probably end up in some trouble.

AN HON. MEMBER: Oh, please do.

MR. N. TAYLOR: No, no. I won't. [interjections] No. No, no. Don't. You cannot beg me to.

MR. HENRY: I can't?

MR. N. TAYLOR: No, no. Anybody else? [interjections] No, no.

Anyhow, what I'm getting at, Mr. Speaker, is that we have to turn this down. Amendments might save it, but we are perpetuating an old-fashioned, confrontational, trial-by-combat system of the members of a broken marriage, one to try to extract money from the other.

Thank you.

MR. ACTING SPEAKER: The hon. Member for Edmonton-Ellerslie.

MS CARLSON: Thank you, Mr. Speaker. It's with great joy that I rise to speak against this Bill.

Point of Order Decorum

MR. ACTING SPEAKER: Excuse me. Point of order, hon. Member for Edmonton-Norwood?

MR. BENIUK: Yes. Are members required to sit in their own chairs?

MR. ACTING SPEAKER: Yes, they are, hon. member.

MR. BENIUK: He wasn't. Calgary-Shaw. [interjections]

MR. ACTING SPEAKER: Order. [interjections] Order. Hon. Member for Edmonton-Norwood, I apologize if I didn't see anybody sitting not in their chair, but if they did, it's certainly against the rules of this House. Everybody must sit in their chair when we're in session. I'll certainly keep a good eye from now on.

The hon. Member for Edmonton-Ellerslie.

Debate Continued

MS CARLSON: Thank you, Mr. Speaker. As I was saying, it's with great joy that I rise to speak against this Bill. Bill 22 is at the very least tokenism and at the worst flagrant disrespect for custodial parents in this province. In principle I cannot support tokenism on such an important matter, particularly when this government and that Member for Calgary-East, who introduced this Bill, refused to support improving the basic maintenance enforcement program with Motion 503. Motion 503 addressed the significant, relevant issues, the problems outstanding against the maintenance enforcement program . . .

Speaker's Ruling Decorum

MR. ACTING SPEAKER: Excuse me, hon. member. The hon. Member for Cypress-Medicine Hat was absolutely out of his seat, and as I said earlier in this session, you must take your seat. Everybody is designated a seat and must sit in it when this House is in order.

Hon. member, sorry for the interruption.

Debate Continued

MS CARLSON: As I was saying, for the third time because of the disruptions from the government side of this House, I disagree with the basic principles of Bill 22 because it is at the very least a band-aid solution to a problem which is much larger than the small tokenism that we see addressed in this Bill. The government had an opportunity, a true opportunity to address the issues involved around maintenance enforcement in this province, and

they chose to ignore them. They chose to vote against them when they were brought forward in Motion 503. Instead, they chose to make a joke out of what is a very serious problem for thousands and thousands of people in this province and most particularly a serious problem for many, many of the children of this province.

This Bill is discriminatory. It has no provisions for offenders who don't drive or for those who live out of the province. Now, in particular for people who are offenders under the maintenance enforcement program who live out of the province, and there are many, many of them, there is absolutely no recourse for addressing this situation under this Bill. It also handicaps people who require their vehicles to get to work in order to make money so they can make their maintenance payments. Now, very surprising from the government side of the House: in fact this provision, where it discriminates against people who need their vehicles for work, particularly discriminates against rural residents and satellite communities. Now, most of the members from that side of the House are from rural areas. You would think that uppermost in your minds would be the concerns of your constituents. It hasn't been addressed at all in this Bill, and I'm very concerned that the Member for Calgary-East chose to ignore that part of the constituencies.

Every group affected by the MEP agrees that it is fundamentally flawed. We have talked to custodial parents; we have talked non-custodial parents; we have talked to people within this program; we have talked to other MLAs. All of them believe that this Bill as it stands is out of order, is out of context, and does not address the issues. By accepting or endorsing such a flimsy change, we send out the message that this is enough, that a band-aid solution is good enough for us to address at this point in time, that the program in fact doesn't need revamping, that simply removing drivers' licences and doing nothing else to address the concerns of maintenance enforcement in this province will satisfy custodial parents and will meet the needs of those children who are currently doing without because noncustodial parents in some cases choose not to meet their requirements.

Well, it's not true. This isn't good enough. I can't vote for something that doesn't address the fundamental issues of the problem, and it isn't good enough for all those people out there who are affected by it. Women's groups and low-income women who are custodial parents, who rely on receiving the income from the maintenance enforcement program, are viewing this Bill as a complete and utter joke. I believe that it's very important for us to take a stand and say that if you don't do it right and completely review this program, then it's not good enough for the children of this province, and we simply will not support it.

AN HON. MEMBER: What's new?

MS CARLSON: Well, what's new is that you guys certainly don't address the changes and concerns of people of this province, and you continue to treat this legislative process as a joke and a means to meet your own ends.

The second flaw of this Bill is that it continues to promote the adversarial nature of the maintenance enforcement program. Let's just think about this situation for a second. When a noncustodial parent reneges on their maintenance enforcement payments, if they can't renew their driver's licence or register a land title transfer, what's their reaction going to be? Their reaction is going to be anger or embarrassment or perhaps both. Let me ask you who they're going to take that anger out on. They don't take it out on the maintenance enforcement program, and they certainly won't go to their MLAs at that point. They're going to go to who they see as causing the problem. In a situation like this, when

they don't make their maintenance payments, in most cases they use this as a form of control over the ex-spouse, and they go directly to the ex-spouse when they're angry or upset with the situation.

Now, while rational people involved in this situation will say that the people that don't make the payments are the problem here, that they're the ones that caused the problem, I have yet to meet a parent who is noncustodial and reneges on their maintenance payments who sees it from this perspective. They never see themselves as being to blame in this situation. In every single case I've ever reviewed and over my years of working in the community and specifically with and around this program, I see that they always place the blame on their former spouse. So how do you get even in a nonpayment situation like this when something's going to be withheld from them? They go directly to the spouse with threatening or violent behaviour, and who does that affect but the children? So rather than helping the very people for whom this program was put in place, you've further victimized them. I find it unconscionable that a government would even consider doing something in that nature.

So I ask you the question and specifically I ask the Member for Calgary-East, who introduced this Bill: are you prepared to endorse setting the stage for a further promotion of an adversarial situation? Are you prepared to increase the inflammatory nature of an already extremely volatile program?

9:30

MR. SAPERS: Say no.

MS CARLSON: All you have to do is just say no. You can bring in amendments to this Bill; you can make it really reflect the necessary changes that are needed. In fact, I would put it to you, hon. member, that if you were doing your constituency work and if you were listening to the people who came into your constituency who have problems around the maintenance enforcement program, you would have brought in a Bill that addressed this issue in some manner other than tokenism.

Speaker's Ruling Decorum

MR. ACTING SPEAKER: Hon. members, order. I was about to call order because it's too noisy in this House, but, hon. Member for Edmonton-Ellerslie, you were remarking that you wish the member whose Bill this is – he's already said that he will gladly close debate on this Bill and answer questions. It's not up to members of this House to ask people to answer questions across the Chamber.

MS CARLSON: Mr. Speaker, my question was aimed at him in a more open manner. I hope that he will address this concern in amendments to this Bill. That was my point in making the original comment.

Debate Continued

MS CARLSON: Let's talk about why this maintenance enforcement program is adversarial now. One of the major reasons it's adversarial in nature is because it requires the custodial parent to register. It gives them a choice whether they do this or whether they don't do it. So noncustodial parents see this, first and foremost, as really the first round or a continuing round in an ongoing battle of one-upmanship.

If you removed that from the Act, if registration were mandatory, then you would take away one particular situation in this program, where a noncustodial parent could interpret the custodial parent as placing blame or as accepting in the first instance that

they're not going to make their payments on time or regularly. It just removes some of the confrontation from the situation, and I think that it's something that could have easily been addressed in this Bill and that should have and would have helped towards easier relations in terms of making sure that the children who need this money not for holidays, not for state-of-the-art equipment, but for food on the table, for the shoes on their feet, and for the programming that they require in the schools. We're not talking about sending children on trips around the world. We're making sure that they have the money at home to put basic food on the table.

The major problem around custodial parents who are involved in this program is that they simply don't have enough money to survive. This member has treated this Bill in a very light fashion with what he's brought in under here, and I think that that seriously needs to be addressed.

Mr. Speaker, other major changes that I see. If we keep this program under the kind of mandate that it's got now, it's absolutely automatic, compulsory registration, where the government or an agent is the recipient of the money, and they pay out regardless of the money collected to the custodial parent. If we do that, then we don't have the concerns for custodial parents who receive money one month and don't receive it for two or three months or receive some of the money at the beginning of the month and maybe some of the money in the middle of the month and maybe some of the money the next month. We get out of that entire arrears problem. Custodial parents can then budget. They can then determine a set amount of money per month, they can provide the sustenance that's required for their children, and they introduce some regularity into their lives. It gives them more time and energy to look towards the caring of their children and to look towards bettering their education or their employment, all those things that are required in order to make sure that we have the kind of homes that our children require to grow up to be contributing and productive members in this society. It's something that he just totally refused to consider when addressing the writing of this Bill.

This really solves most of the resulting problems for custodial parents, because the biggest concern that I see in my constituency and the biggest concern that I have seen not only this week and last week but since the day that I was elected as a Member of this Legislative Assembly is that irregular payments introduce tremendous problems into the home lives of custodial parents, and it's something that we surely should have addressed here. I can't believe that the Member for Calgary-East found that it wasn't an important enough issue to address, Mr. Speaker, and I certainly hope that he'll reconsider that.

If we put the collection of the moneys in the hands of the government and out of an adversarial situation, we would remove some of the interpersonal problems and biases that parents have with each other. When you're talking about two people who can't live together under the same roof, two people who choose not to parent together because of the problems they have relating together, those two people surely are not going to be able to resolve money issues or control issues around money and the children. Just removing their driver's licence is not enough. What it does is further add fuel to the fire; it increases the controversy and the adversarial nature that evolves between the two parents. In fact, instead of helping this process, I would suggest that the hon. member has hindered it, Mr. Speaker.

If you change the way the money is collected, then neither parent involved in the situation can use money as a leverage to hurt, control, or bias each other or the children involved. We have to remember in this discussion around this Bill and around any discussions with regard to maintenance enforcement that the

ultimate goal is happy, thriving, successful children, and if we take a look at the way this province runs and at the kinds of problems we have in this province, we are not addressing the needs of those children in a good manner, in a productive manner, in the kind of manner that we would expect in terms of leadership from this government.

If you put the collection of these moneys in the hands of the government, collection procedures would be much tougher, and we wouldn't find people who are in arrears in their maintenance payments for months and years and decades, as we do find them now. We would not find people in arrears where they put in the money piecemeal, as they do now. They really add to the strife in the lives of those people who are raising the children.

I believe that this is a very serious issue that needs to be addressed. I don't believe that this Bill addresses it from any perspective, and I will not be supporting it.

MR. ACTING SPEAKER: The hon. Member for Leduc.

MR. KIRKLAND: Thank you, Mr. Speaker. It's my pleasure to stand up this evening and speak to the maintenance enforcement Bill, Bill 22. It may seem ironic that I, a person who's been married for 25 years, whose children have left home by their own accord, should stand up and speak to it, but it is one of those issues that generates more calls to my constituency office than most issues, so I certainly have a hands-on understanding of the difficulties that are being experienced by single parents in attempting to collect dollars that have been set by court-ordered decrees.

If this were a sound attempt to improve the situation, I would embrace it wholeheartedly. Unfortunately, I submit that it is a weak attempt, and I would submit that it is probably going to cause more problems than it actually solves. When I say that, I would ask all in the House to envision a delinquent parent that is presently paying \$200 a month when the court order indicates that they should pay \$300. If we are to think of this parent as a professional driver and his licence comes due, what we have done at that point is deprived that individual of actually earning a living. So we have taken a \$100 a month delinquency and turned it into a \$300 a month delinquency. Now, you don't have to be a professional driver to fit into that category, Mr. Speaker. You can be an individual that simply needs the automobile to get to and from work.

So I have a large concern that we have to be far more analytical with this Bill. Politically, I guess we could call this a bit of a squeeze, because if I stand up and vote against it, there are those who will point their finger and indicate that I don't support single parents, that I don't support the children of this province. I'm not convinced in my mind, Mr. Speaker, when I think rationally, that in fact we are improving or aren't actually working to the detriment of that group. I do believe in my own mind that it is probably to the detriment overall. Certainly with maintenance enforcement into several years of operation, we must have the ability to determine most of the people involved in maintenance enforcement and try to get a handle or a feel on how this would impact. When I say that, most that are involved in the maintenance enforcement program have identified some sort of occupation that they practise to earn their dollars. So I think a cursory look or a look at those involved would give us a good handle on whether we were moving in the right direction.

9:40

Presently the maintenance enforcement director has some far-ranging powers that enable him to go to great lengths to collect

dollars owed under the maintenance enforcement program. If we were to look at the files of the Justice department, they would maintain and they would have us believe that 81 percent of those files are actually successful collections, but if we sit back and examine that closely, the Justice department, in my understanding, Mr. Speaker, considers that a collection of any amount is a successful collection. So we really are skewing the figures at this point.

If I could give you a real-life example of a situation that I'm presently dealing with. I have a constituent that has been awarded \$250 for each child that she presently cares for. There are two, so we're dealing with \$500 a month. Now, the delinquent father became unemployed through no power of his own, so he approached the court and had that adjusted to \$50 a month, Mr. Speaker. He has since become employed, and it becomes the mother's responsibility to re-instate that court order and attempt to recover the \$250.

Now, as a single mom she is, like so many in this province, earning the bare minimum wage or the \$5 to \$6 an hour wage rate, so she relies on the good graces of Legal Aid to help her through her problem. It does become incumbent upon her to attempt to solve it. It means, of course, time away from a job that she certainly doesn't want to take time from because it will threaten that job that provides her with the meagre earnings and the meagre living that she has. If in fact she is successful in having it reversed or putting pressure on the delinquent father in this case by having his licence removed, in essence what she's done is removed that gentleman's opportunity to earn a living. So the \$50 a month will be something that in fact she can look forward to forever.

So I'm suggesting, Mr. Speaker, that the Bill really does not offer a sound solution. As I indicated in my opening comments, I have a concern that it will create more problems than it will actually solve. We have to look at that aspect very closely before we embrace the Bill. I won't use the strong term that Edmonton-Ellerslie used: tokenism. Or Mill Woods-Ellerslie; my apologies.

MR. SAPERS: You were right the first time.

MR. KIRKLAND: Okay; I was right the first time. I stand corrected, Mr. Speaker, and we'll let the *Hansard* show that on the third try I got Edmonton-Ellerslie correct.

I'm not convinced it's tokenism. There may be some sincerity behind this Bill, but I suspect that the research hasn't been done that's required to really determine whether it's going to solve the problem. I would hate to see us invoke some legislation that we may have to revisit one year down the road because the pieces start to fall back in our laps as MLAs that have to deal with these problems.

I would suggest that the problem, Mr. Speaker, is the government's lack of willingness really to give the maintenance enforcement department the full use of all the tools to ensure that the dollars owed by court order can be fully collected. The second problem that I would suggest exists in the system today that this Bill does not address is how we in the province of Alberta actually arrive at calculating child support on a monthly basis. I would suggest that regardless of where we live throughout this province, certainly we must be able to set an absolute minimum that we start with and tie that or have it arranged or aligned with earning power on a yearly basis from that point. I have seen the other end of the spectrum where the court orders have awarded ridiculous monthly payments for support of children. I have difficulty in my mind attempting to rationalize why one individual or one child must receive \$1,200 a month for child support and

another would receive \$50. We can see there's a large gap there that we have to address.

Certainly I'm not suggesting that we would tie the hands of any court or give any judge ultimatums as to how they address it, but I think if we set guidelines, we would certainly go a long way to arriving at a fair and reasonable monthly settlement. That in itself, I would suggest, will correct a lot of the inequities and a lot of the problems that the system brings onto it.

The other problem I see in the Bill, Mr. Speaker, was brought forth by the hon. Member for Spruce Grove-Sturgeon-St. Albert. She presented it in the House the other day, and that is one of hiding assets. We see more and more of that, people trying to circumvent their responsibility in this case. The hon. Member for Redwater certainly spoke at length about the acrimony that often occurs when we have a breakdown of marriage or a parting of relationships. It does become very muddled in some instances, and we see some very innovative techniques used to ensure that one does not have to live up to the responsibility of looking after the children that we are responsible for in this province.

So either we change in some very radical areas such as the ones I've pointed out – this is just a very small step towards it. If I were convinced it was a positive step, I would embrace it wholeheartedly, Mr. Speaker. Unfortunately, in my mind I do not believe it is. I'm still convinced it will create more difficulty than it will actually solve. We have in past days in this House spoken of other models of maintenance enforcement that other countries have embraced. I would suggest that if we cannot improve on our present system and have it work to its fullest and its maximum, then we have to explore some of the other models that have been brought forth. There have been some sound models brought forth, models that eliminate such agencies, and I'm sure the side opposite would embrace this because we are looking at attempting to eliminate red tape and eliminate bureaucracy. We have seen models whereby that particular agency such as the maintenance enforcement would be eliminated. I would refresh one and all's memory in this House of the Australian model where the Crown actually collects it so you don't have that agency acting as a go-between.

In closing, Mr. Speaker, if there is sincerity associated with the Bill, I accept that. Unfortunately, I would ask the hon. member that brought forth the Bill to have a serious look at whether we are creating more difficulty than we are solving. I'm convinced in my mind that we are doing that. There is much acrimony in these sorts of settlements. We do not want to put undue hardship on those that are presently contributing to their court orders. I see this as being one of those, and we certainly cannot capture the dollars that are intended to go to the children of this province if we deprive somebody of the opportunity to actually earn their living.

I would suggest to the hon. member that I cannot support his Bill at this time, but certainly I'm willing to sit down and assist in drafting an amendment or whatever is required to ensure that we take a step in improving what presently is a problem for many single parents in this province.

Thank you.

MR. ACTING SPEAKER: The hon. Member for St. Albert.

MR. BRACKO: Thank you, Mr. Speaker. In rising to speak to Bill 22, I believe the Member for Calgary-East has his heart in the right place. I know he probably has had concerns from his own constituents regarding this area. It is a very complex problem. I ask that the member ask both sides of this House to sit down together to look at solutions to a more complex problem. This

perhaps could be part of the answer, but it may be too simple, as has been discussed by other members of this House. We need to look at it fully and carefully. We need a solution that will work. If we don't have a solution that works, then we're wasting our time with this one. So I would suggest that this is what should take place. Make the amendments that are needed to give this Bill the teeth, whatever is needed to make it work.

9:50

There are other models around. I'm not going to go into them. We know there's the Austrian model, the Australian. But most important, I believe we should have an Alberta model for Albertans. We are leaders. We should be able to take the problem and give leadership not only for Alberta but for the rest of Canada, because it has to be a solution that applies to all Canadians to make this work, not just Albertans.

Mr. Speaker, having been in education for 25 years, the results of this lack of maintenance support hit home year after year, time after time. When I first started in the education system in '67, there were very few single parents. This didn't seem to be a major problem. It may have been there, but people were not even aware of it. As time went on, as the divorces increased – and I think the divorce rate in Alberta now is 343 per 100,000 people. Alberta has the highest divorce rate in Canada. So there's been a tremendous change in the number of divorces, separations, and cause for tremendous social change in the structure of the family.

[Mr. Speaker in the Chair]

Through the years the problem came, and the ones that suffer probably the most, although I guess the spouses could suffer tremendously also, are the children. This is the heartbreaking part for me. Being in the education system, you see them come to school many times without food or very little food. We know that when you have three or four meals a day, it's still difficult to do a full day's work on some days. When you come with no food or very little food, it's difficult for the student to take part in what's happening, to concentrate, to get the benefit of the education taxpayers pay for.

Also, there's stress and conflict in young children's lives because of this, because of the lack of maintenance payments. Through no fault of their own many take on the aspect that it's their fault, that they caused the problem: again very damaging to children. It has a very negative effect on them. I've gone home many nights from these situations and had a hard time sleeping. It becomes an emotional part, for I consider every student of mine a child of mine, one of my children. We need to look at this. This is what we must do as members of this House, that any child who is not getting the maintenance support becomes one of our own children. We need to feel like they feel, suffer like they suffer so we can come up not just with a simple solution but a solution that will work best and also change it from time to time when changes need to be made. It's not difficult once you've been teaching a couple of years to recognize without having been told a divorce, a separation situation, and it's important that we work together. Many times students, once they're going through the stage, will do things negatively to get attention, and that can be picked up easily. We worked with them, spent many hours to assist them through these difficult times in their life.

Speaker's Ruling Relevance

MR. SPEAKER: The Chair realizes that it has arrived at a late stage of the hon. member's remarks, but the Chair thought we

were talking about maintenance enforcement. The Chair would like to have some relevancy established to the Bill.

MR. BRACKO: Thank you, Mr. Speaker. I am. What I'm talking about is when the payments aren't made and the students suffer because of this in the school system. I've seen the effects, and I'm sharing these with the House so they can feel more supportive of the actions that are needed to be taken. Does that satisfy you? Is that okay?

MR. SPEAKER: In a realistic length of time that would be appropriate, but the hon. member can't carry on forever describing life in the classroom.

MR. BRACKO: Oh, no, I don't intend to, Mr. Speaker. I'm just going on. But I want the other side to fully understand, because some of them have not been in the education system. Many have, and they know what I'm talking about. I see some shaking their heads now.

Debate Continued

MR. BRACKO: The other problem with that is that it leads to more crime. When there aren't the maintenance payments and you need food, you go out and you do things to get food. Then we look at the situation and we blame the young people, when it comes from the adults, from the parents not making support payments.

We look at removing someone's licence. If the member was serious about this – I believe they should lose their licence immediately, not up to five years, when you have to renew your licence. If you look at an \$800 or a \$1,000 maintenance payment, you know that that comes to \$10,000 or \$12,000 a year. Over five years that could be \$50,000 in maintenance payments not paid. So this again is a great concern to others and to myself as we look at that.

Also we know that if you take away someone's licence, many will get frustrated, many could even become violent and lead to more abuse in our society. So instead of solving a problem, it leads to more abuse. Also, if they lose their job, what happens? They go on social assistance and they become dependent on the government. That's not what this side of the House wants. We want people to be independent, to be on their own.

We looked at the number of claims collected, 81 percent, but that could be only partial claims. We need to have an accurate figure for full maintenance payments, for partial, for almost nil. There are many other problems involved. It has to be more than a provincial solution. You can move to other provinces, or you could set up a corporation and not pay yourself wages and therefore get around it.

So what we need to do is look at a system where the government would collect the money. It goes to the spouses, as other members have mentioned. From that it would get rid of the conflict between the two. The spouse and the children would be responsible to the government, and the maintenance payments would be there. Society would be healthier.

With that, Mr. Speaker, I adjourn debate. Thank you.

MR. SPEAKER: The hon. Member for St. Albert has moved that debate be now adjourned on Bill 22. All those in favour of this motion, please say aye.

SOME HON. MEMBERS: Aye.

MR. SPEAKER: Opposed, please say no.

AN HON. MEMBER: No.

MR. SPEAKER: Carried.

10:00

Bill 27
Rural Gas Act

MR. SPEAKER: The hon. Member for Three Hills-Airdrie.

MS HALEY: Well, thank you, Mr. Speaker. It's with a great deal of pleasure that I rise to move second reading of Bill 27, the Rural Gas Act.

Mr. Speaker, before I review the key provisions of Bill 27, I would first like to explain what this enabling legislation is all about for the benefit of those hon. members who like myself haven't been in this House for the past 20 years. In 1971 the government made a commitment to rural Albertans that they would have access to clean-burning, reliable, and economical natural gas service, a service that Albertans in our cities and towns had been able to take for granted for many decades. It was ironic that all of the gas that was flowing to places like Edmonton, Calgary, Toronto, and San Francisco from Alberta was being produced in rural Alberta, yet most rural Albertans did not have access to this premium fuel to heat their homes and their barns. So in 1973 the Rural Gas Act was passed by this Legislature to correct that inequity and provide a framework for an Alberta rural gasification initiative, an initiative, I might add, that had never been attempted before anywhere else in the world.

To undertake the development of rural gasification in our farming communities, the government relied heavily on the farmers themselves by setting up rural gas co-ops to own and operate the gas pipeline system. It's worth while noting, Mr. Speaker, that the only place in the world that farmer-owned natural gas co-operatives can be found is right here in Alberta. Let me emphasize that point: a major factor in the success of rural gasification in Alberta has been the hard work and dedication of the original gas co-op directors who volunteered countless hours of their own time working with their neighbours to sign contracts, negotiate easements, settle crop damage claims, and oversee the development of their gas systems.

Where a farming community chose not to form a gas co-op, a rural gas system could be developed through a municipally owned gas utility or through a private utility company. Today, Mr. Speaker, rural gas service is provided by 70 farmer-owned co-operatives, six municipalities, and five private gas utilities. A network of pipelines that is now more than 80,000 miles in length, the largest system of its kind anywhere in the world, is now in place serving almost 150,000 rural gas customers.

Mr. Speaker, that massive infrastructure of pipeline was developed through a successful partnership involving government, industry, and individual farmers. The total investment in that infrastructure is about \$700 million, including approximately \$400 million of government grant funds. Now, there's no doubt that that's a significant sum of money, but the return on this investment to date has been even more impressive.

Obviously, natural gas service displaces other high-cost fuels such as propane and oil, which can be two to three times the cost of natural gas. In fact, Mr. Speaker, because natural gas is so much cheaper, rural Albertans have saved a total of approximately \$1.9 billion over the past 15 years as a direct result of this government's rural gas initiative. Even with the recent increase in natural gas costs, those savings will continue to grow at a rate of over a hundred million dollars each year for years to come. So on that basis alone there's no doubt that the Alberta rural gas program has been a tremendous success.

Let me review now the key principle of Bill 27. This Bill will replace the original 1973 version of the Rural Gas Act, which required far too many changes to be accommodated by a series of amendments to the existing legislation. So we're repealing the existing outdated statute and replacing it with a modern version of the Rural Gas Act that will provide the foundation for the operation of Alberta's rural gasification system well into the 21st century.

Mr. Speaker, one of the government's most important commitments to Albertans following the election last June was to eliminate unnecessary regulations and red tape for business. Well, Bill 27 is an example of that commitment. Many outdated and unnecessary provisions in the old Rural Gas Act have been scrapped because they were creating red tape that wasn't benefiting anyone. Bill 27 will also scrap the rural gas regulation, which is also outdated and unnecessary for the most part. However, there are one or two key provisions in the regulation that are necessary for the administration of rural gas franchises, and they have been retained in Bill 27.

In recognition of the fact that natural gas can be extremely hazardous if not handled properly, the Bill strengthens the powers of the Department of Transportation and Utilities to take necessary action to remedy a situation that is threatening the safety of persons or property. It also ensures that the rights of landowners and owners of other buried facilities are protected by requiring rural gas distributors to obtain all necessary easements and consents before installing their pipelines.

Bill 27 spells out the rights and duties of a natural gas distributor that receives a franchise for rural gas service. Of course, a natural gas utility is relatively worthless if it isn't backed up by a franchise, so the franchise provisions in this Bill are extremely important in the overall scheme of things. But a franchise creates a monopoly by giving the utility exclusive rights to serve most consumers within its franchise boundaries. So Bill 27 protects consumers by providing them with the ability to apply for an amendment to a franchise boundary if they're being prevented from obtaining a gas service. It also gives them the right to appeal if their application is refused or if they feel that the rates or tolls that are being charged are unfair or discriminatory.

Mr. Speaker, by far the most significant provisions of this new Act are the provisions dealing with natural gas franchises and urban annexations. These replace existing provisions in the Municipal Government Act, and they're the result of an extensive consultation process involving the government, rural gas co-ops, private utility companies, municipalities, and other key stakeholders. The new Act provides a detailed mechanism for deciding which utility acquires the natural gas service rights to an area annexed by a city, town, or village, and it provides a clear compensation formula in the event that a gas co-op has to give up part of its service territory because of the annexation. It also provides for an appeal mechanism to the Public Utilities Board when one of the parties involved in an annexation believes that its rights under this legislation are being diminished by the actions of another party. In reviewing this aspect of Bill 27, I just want to assure all hon. members that these provisions on annexations and natural gas franchises are supported 100 percent by all affected stakeholders.

Mr. Speaker, any rural gas co-op will tell you that one of the main reasons for the success of the rural gas program has been Gas Alberta, which was set up under the original Act to serve as a natural gas supply broker for the co-ops. Bill 27 maintains Gas Alberta's role as a supplier of gas to the co-ops, but it now includes provision for full cost recovery on all of the services that this government agency provides to its gas co-op customers. I

might add that the gas co-ops fully support the principle of user pay for this service.

That concludes my remarks on Bill 27, Mr. Speaker.

MR. SPEAKER: The hon. Member for Redwater.

MR. N. TAYLOR: Thank you, Mr. Speaker. Speaking to the rural gas Act, which appears at first blush not to be too bad, I'll bring up a couple of items. Most of them are highly technical, but on the other hand I've been in the gas business all my life, and I guess I still am as a member of the Legislature.

AN HON. MEMBER: Is that natural gas?

MR. N. TAYLOR: Cool gas.

One of the complaints I'd like to make, Mr. Speaker, is that this hasn't been out enough to be circulated around to some of the people that I think should get a look at it. I think it's been a bit rushed. I know that the hon. Member for Three Hills-Airdrie said that they'd contacted a hundred percent of the interested parties. Well, a hundred percent is a big number, as a matter of fact. That means everybody. I just doubt that everybody has been contacted. For instance, they didn't contact me, and I'm in the gas business. Let's put it this way: they've only contacted 99.999 percent, apparently. Anyhow, I suspect there are some other characters like myself that haven't been. I wanted to send out the Bill to see just if they had anything, because my own quick eyeballing of the thing – and I guess we'll have time in committee to make some fine adjustments – is that the minister as usual has too broad powers. There should be some amendments curtailing these powers. We can probably introduce them later on.

Also, there is a part here that doesn't separate the inspection of pipelines and utilities from ownership. In other words, I'm a little afraid that we could have conflicts where a contractor working either for the gas co-op or for one of the pipeline companies would also be doing the inspecting of some of these facilities. I think that should be probably sharpened up just a little bit.

I like the fact that the rural gas utility in Airdrie – the Member for Three Hills-Airdrie should be very familiar with this. Certainly she's the one that would take a lead in the part, because the rural gas co-ops around Airdrie were, to put a pleasant word, shafted when Airdrie expanded out and took over the areas away from the rural gas co-ops, making it much tougher for them to survive. Nearly always the municipalities have had a tendency to annex and to go out and take customers away from rural gas co-ops. It looks like they have closed that loophole off, and I give them credit and tribute for that. I think that's a good idea, although I'd like to look at it maybe a little more.

10:10

One of the things they mention, Mr. Speaker, is that the owners of the gas must provide gas at a reasonable price to Gas Alberta, and that's been all right up to now. I think it's been mentioned by many people, "Well, we've got along fine," but it's been easy to get along up till now because we've had a surplus of gas. So any gas producer in his right mind – some of us aren't. Most of them were only too tickled to sell gas to Gas Alberta because there weren't that many customers out there. But we may be going into a time of shortages; we may get worried about shortages. It worries me a little bit that the gas producer has a long-time contract with a gas buyer, and when the local Gas Alberta wants to buy some gas, it may not be around. [interjection] Sounds like we have our own gas well here. There's a word that's called choke, and maybe we could put one, maybe a

quarter-inch choke or an eighth-inch choke. On the other hand, maybe it was more liquid than gas.

What I'm talking about here is providing a reasonable price to Gas Alberta. I think she's got to be covered up a little bit more than that, because I'm afraid some of our rural gas co-ops – when it comes to competing with a California buyer for their refrigeration purposes, this might not work out so well. The producer may not be reasonable. Up to now they've been quite reasonable because they've been tickled to find anybody.

There might be another thing too. The hon. Member for Three Hills-Airdrie would be familiar with this. When it comes to a battle of whether the municipality should take over a rural gas co-op area by expanding out and taking it over or whether the gas co-op should keep the customers, maybe what we should do is poll the customers. Maybe they should have some input into who could look after that.

So, with that, Mr. Speaker, that is all. I think this is all we have on this side anyhow.

Thank you.

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

HON. MEMBERS: Question.

[Motion carried; Bill 27 read a second time]

Bill 29

Nova Corporation of Alberta Act Repeal Act

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

MR. HLADY: Thank you, Mr. Speaker. I would just like to talk shortly about it this evening and look forward to speaking more on this Bill as we move into Committee of the Whole.

This Bill is repealing the Nova Act and will allow government to get out of the area and working inside of business. I think in the future we will see some very good growth from a free-enterprising company such as Nova. At the same time, we will be protecting Albertans by having regulations under the Gas Utilities Act working under the gas transmission.

Thank you, Mr. Speaker. That's all I have to say this evening.

MR. N. TAYLOR: Mr. Speaker, he was a little faster than I thought he would be. I remember the hon. member when he was one of the best sprinters in Calgary, but I didn't know that he would carry that over into his political life. So my compliments for doing such a fast move.

Here again it's something that's probably long overdue. Although to praise Nova as being a rugged, free-enterprise company, I don't know. They were set up under the old Social Credit government with an exclusive right to transport gas. As a matter of fact, I believe the Treasurer's grandfather was one of the principals in the area. It was a good idea at the time because what we didn't want was the right for the federal government to come all the way up the pipeline to the well producers to dictate the price of gas at the wellhead, which had happened in the U.S. So Premier Manning at that time had set it up so that no pipeline from outside Alberta could come into Alberta. The Alberta Gas Trunk came up to the borders and then delivered the gas in order to kill any chance of the regulatory bodies controlling gas pricing.

Nova really for about 30 years – no; I guess it's about 35, 40 years old; isn't it? – has had the right to almost do anything it wants, and to call it a free-enterprise company might be stretching things a little bit. You know, if my grandpa left me as much as

these people have and gave me the guarantee of return, I think I could have put a banana plantation in Peace River and still come out ahead. This is the type of economics.

But it's no use sitting here complaining about the past. The past is gone. There are just people like myself. I recall with a bit of a grudge having to fight my way up through the oil business while Nova sat there and waxed fat out of charging gas prices at a set price to the border without even going through PUB hearings. So now I think it's finally overdue. I wish them well; Godspeed. I mean, there's no use holding a grudge, because all the people I used to fight with have gone on to their reward and retired. It's a whole new gang in here. They're starting out with 40,000 shareholders, 12,000 of which are in Alberta, a head office in Calgary, assets of \$6.9 billion, 80 percent are located in Alberta; you know, 6,300 permanent employees. That's a pretty nice start. I'd like to give my children a start like that too.

So all I can say right now, until we get to the stage where I can maybe look at some amendments, is I think this is a move that's long overdue. It's going to put the gas transportation under the PUB. But if anybody thinks that this new – remember I debated earlier in the evening that the PUB should not be part of the energy board. Here's a classic example. They're separating this company into three companies, one of which will be under the PUB, and the PUB is disappearing. So, you know, somehow some people are born lucky, Mr. Speaker. For years and years they didn't have to answer to the PUB, and finally when they decide to answer to the PUB, it's had every bloody tooth pulled plus the tail cut off, and now it's not a tiger with any strength at all. So how lucky can you get?

AN HON. MEMBER: It's not luck; it's connections, Nick.

MR. N. TAYLOR: It's connections, I guess you'd call it. That's a good word. In a pipeline there's a lot of connections. You have a hot connection and a cold connection. You've got both of them there.

So without too much sarcasm I guess it's something I have to support. I'll let bygones be bygones, but if any producer out there thinks that the PUB is really going to do that much, they're mistaken, because our friend in Alberta Power and the ATCO people have been under the PUB for years, and they've always managed to do pretty well indeed. So I think that's the way things are going to go.

Well, with the hour, as it grows later – there may be more speakers on this, but I don't know. I congratulate the government for bringing it in, and we may have some amendments when we get to the amendment stage.

Thank you.

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

HON. MEMBERS: Question.

[Motion carried; Bill 29 read a second time]

MR. SPEAKER: The hon. Deputy Government House Leader.

MR. EVANS: Mr. Speaker, thank you very much. I want to thank and congratulate members on both sides of the House for the type of debate that we've had tonight. I think it's been reasoned. I think it's been productive. We made good progress on second reading of a number of Bills.

[At 10:20 p.m. the Assembly adjourned to Thursday at 1:30 p.m.]

