

Legislative Assembly of Alberta

Title: **Tuesday, March 11, 2003**

1:30 p.m.

Date: 2003/03/11

[The Speaker in the chair]

head: **Prayers**

The Speaker: Good afternoon.

Let us pray. O God, grant that we the members of our province's Legislature may fulfill our office with honesty and integrity. May our first concern be for the good of all our people. Guide our deliberations this day. Amen.

Please be seated.

head: **Introduction of Visitors**

Mr. Jonson: Mr. Speaker, I am pleased to introduce to you and through you to members of the Assembly His Excellency Mr. Wade Armstrong, high commissioner for New Zealand. This is the high commissioner's last official visit to the province as he will soon be leaving his post for a new assignment. During his three years in Ottawa he always demonstrated strong support for Alberta's relationship with New Zealand. Alberta and New Zealand have much in common, particularly a shared emphasis on free trade. Several Alberta companies are active in New Zealand, and there are valuable educational links between the University of Alberta, the University of Calgary, and postsecondary institutions in New Zealand. We appreciate the high commissioner's hard work, and we wish him all the best in his new endeavours. I would ask that our honoured guest please rise and receive the traditional warm welcome of this Assembly.

head: **Introduction of Guests**

The Speaker: The hon. Minister of Justice and Attorney General.

Mr. Hancock: Thank you, Mr. Speaker. It's my pleasure this afternoon to introduce to you and through you to all members of the Assembly employees from Alberta Justice court services. These individuals are here on the public service orientation tour, which, I understand, is being promoted and carried out by the Leg. Assembly Office and your good offices. I'd ask Ms Julie Ulmer, Ms Ana Melo, Mrs. Shelley Hein, Ms Susan Logan, Mrs. Glory Kopinsky, Ms Wendy Yanish to please rise and receive the traditional warm welcome of the Assembly. Great public servants doing good work for Albertans.

The Speaker: The hon. Member for Wetaskiwin-Camrose.

Mr. Johnson: Thank you, Mr. Speaker. It's a pleasure for me to introduce to you and through you to the members of this Assembly seven AADAC staff members who are also on a public service orientation tour. In introducing these staff members, I would also like to acknowledge the excellent work that they do over in AADAC. They are seated in the members' gallery. I'd like to ask them to stand as I introduce them. Terry Lind is director of AADAC information services. From AADAC policy and business planning we have Sally Greenhill, Sandy Goatcher, Darlene James, Christy Nickerson; and from AADAC communications, Korey Cherneski and Keith Hughes. I invite all members to welcome our guests today.

The Speaker: The hon. Member for Edmonton-Calder.

Mr. Rathgeber: Thank you very much, Mr. Speaker. It's indeed a pleasure for me to rise and introduce to you and through you to all members of the Assembly 27 of Calder's not necessarily oldest but definitely wisest citizens. They're senior citizens from Shepherd's Care Kensington Village along with the recreational therapists Kara Cooper and Mrs. Linda Gerke. I'd ask all the residents from Shepherd's Care to rise – they're in the public gallery – and receive the traditional warm welcome of this Assembly. Welcome.

The Speaker: The hon. Member for Calgary-Egmont.

Mr. Herard: Thank you very much, Mr. Speaker. It's a real, real pleasure for me to introduce to you and to all members of the Assembly a couple of people who are very, very near and dear to my wife and I, and they are my son David's wife, Lori, and our very first grandson, Matthew. I think he was trying to deliver his first speech in the House just a few minutes ago.

Mr. Hlady: That's a tough act to follow, Mr. Speaker, but I have two sets of two guests I'd like to introduce to you today. The first is Perry Pearce, who is the head of government relations for Burlington Resources out of Houston, and it's his first visit to the Legislature. He is accompanied by Doug Noble from Sparks & Associates. I'd ask them both to rise and receive the warm welcome of the House.

The other two are Geoff Wright and his wife, Linda. Geoff is with Economic Development Services of Chatham-Kent, Ontario, but he's also a native of Pincher Creek. I'd ask them both to please rise and receive the warm welcome of the House.

The Speaker: The hon. Member for Edmonton-Centre.

Ms Blakeman: Thank you very much, Mr. Speaker. I'm very pleased today to introduce to you and through you to all members of the Assembly two very special guests who are seated in the public gallery. Michael Spencer-Davis is a very fine Canadian actor who trained here at the University of Alberta BFA program and lived and worked in Edmonton for many years. He has returned here to star in the Citadel Theatre's production of *Einstein's Gift*, written by Edmontonian Vern Thiessen. I'm especially pleased to welcome his son, Jack Davis, to this Assembly. Jack is eight years old and was born here in Edmonton. He now lives in Toronto with his parents and has come back to visit his dad. I would ask them both to please rise and accept the warm welcome of the Assembly.

The Speaker: The hon. Member for Edmonton-Strathcona.

Dr. Pannu: Thank you, Mr. Speaker. It's my distinct pleasure today to introduce to you and through you to all members of this Assembly a large number of guests: labour leaders from across the province, health care workers' union leaders, as well as health care workers from Peace River to Lethbridge. As I call the names of my guests, I'd ask them to stand and please remain standing until after they have received a warm welcome from the Assembly. The first guest is the Edmonton and District Labour Council president, Alex Grimaldi; Alberta Federation of Labour president, Les Steel; secretary-treasurer for Alberta Federation of Labour, Kerry Barrett; United Nurses of Alberta first vice-president, Bev Dick; Jane Sustrik, second vice-president, UNA; Karen Craik, secretary-treasurer, UNA; Nicole Bownes, home care nurse in Edmonton; Judy Brandley, public health care nurse, Chinook health region; Arlene Moreside, public health care nurse, Peace River; Linda Currie, staff nurse, Brooks health centre; Ken Ewanchuk, ER nurse and president of the nurses' local at Foothills medical centre; Sandi Johnson, public

health nurse, Calgary; Ruth Jeannotte, long-term care nurse from St. Michael's health care centre in Lethbridge; Sandra McLean, registered psychiatric nurse, St. Mary's hospital in Camrose; Pauline Worsfold, recovery room nurse at U of A hospital; Bridget Faherty, registered nurse at Queen Elizabeth II hospital in Grande Prairie; and last but not least, Phyllis Footz, community health nurse, Tofield. I'll ask all members of the Assembly to give all of my guests a warm welcome.

The Speaker: The hon. Member for Edmonton-Highlands.

Mr. Mason: Thank you very much, Mr. Speaker. Well, if further proof that the labour movement is alive and well in Alberta was needed, here it is. I'd like to introduce to you and through you a number of other labour leaders from our province. From the Health Sciences Association of Alberta, Elisabeth Ballermann, – and I'd ask people to rise when I call their name – Doug Meggison; from CUPE, Yvonne Fast, Dianne Wyntjes, Pam Beattie, and Ron Pilling; from the United Steelworkers of America, Duane McEwan; from the Canadian Labour Congress, Mike Desautels; and from the Operating Engineers, Lionel Laverdiere, Bruce Moffat, and Bruce Cryliuk. I'd ask all members to join me in giving them a warm welcome.

1:40head: Oral Question Period

Energy Prices

Dr. Nicol: Mr. Speaker, 2,300 seniors have called the seniors information line hoping to get some relief from their high power and gas bills. Staff returning those calls have been told not to tell seniors over the phone whether or not they qualify for the government's onetime assistance program. As a result, seniors are being lulled into thinking that they'll get help when many won't. This is a cruel form of deception carried out by the government on seniors at a most vulnerable time. To the Premier: why did you not send all seniors an application and guidelines, like you did other groups who have received financial support from the government?

Mr. Klein: Mr. Speaker, there are different processes for different things, and we've decided to go this particular way.

The Liberals say that the government is misleading seniors about their eligibility for special-needs assistance from high utility bills by refusing to provide any program details over the phone and simply sending out complex application forms. First of all, the forms are not complex. They're very simple; even the Liberals can understand them. And I don't know how anyone can call this program "cruel." There is no other province in Canada that has a program like this to address emergency needs faced by low-income seniors. No other jurisdiction in this country. What is cruel is the campaign of misinformation and fear being spread by the Liberals. That is cruel.

The Minister of Seniors has made a commitment that low-income seniors who need the help will find it under this program. Basically, a senior phones, an application form is sent out, a thorough evaluation is done on those applications, and seniors who qualify get the rebates.

Dr. Nicol: Wouldn't the staff's time be better spent telling the seniors the criteria rather than going through this public relations exercise, sifting through application forms from people who don't have a hope of getting any help?

Mr. Klein: Mr. Speaker, a lot of seniors have hope of getting help – that's what the program is all about – especially those who need it the most. I will have the hon. Minister of Seniors supplement.

The Speaker: The hon. minister.

Mr. Woloshyn: Thank you, Mr. Speaker. The negative reference to staff is totally unwarranted and certainly, if you will, one of the most despicable ways that you can take to offend people.

We have answered 11,000 phone calls. I have 23 staff working on this. They've worked overtime every day; they work Saturday. When somebody phones in, there's a very simple question put forward: are you on the seniors' benefit program? If the answer to that is yes: "Then you should fill out the form, and we will assess it to see if, in fact, your income level and your expenditure level warrant some cash support."

We have done a couple of other things. If seniors have expended their \$5,000 limit for the year on other onetime expenses, they are not precluded from applying for this unforeseen, if you will, extra additional cost. That's taken into consideration. It would be a waste of time for the telephone answerers to discuss a senior's situation without having the facts before them. Quite simply, Mr. Speaker, I think we've also gone to the point of accepting applications, not guaranteeing something – they have to show that the hardship is there – but we are sending out applications to people whose incomes are above the \$18,000 for singles, which is the normal level for the cash supplement, all the way up to \$23,000. For couples I do believe it goes up to \$37,000.

We mail out the application, you fill out the application, you apply for it, and if you qualify, you will get it. The application forms are available to anybody who asks for them regardless of age. They're available in our storefront centre in the Standard Life building, through MLA offices, through the Seniors offices, and phone calls to my office.

Mr. Speaker, any further kinds of comments with derogatory reference to staff behaviour I think is unfair to the clientele that we're trying to serve.

Dr. Nicol: Back to the Minister of Seniors then. Why is it that the line staff will not discuss the criteria with people who haven't prequalified so that they'll give to those individuals who are calling in a sense of whether or not they will qualify in the end?

Mr. Woloshyn: Mr. Speaker, I don't know how to get the message through. Very clearly, if you are on the seniors' benefits program receiving cash or even if you are on the seniors' benefits program only receiving a premium supplement – we'll even look at that – you fill in the application the same as you would for any other onetime special need. We've just expanded the criteria to look at the increase in the utility bills to ensure that seniors who are pressed for cash and whose problem has been caused largely by these bills will be looked at in a positive fashion. Some seniors who don't pay utility bills will not even be considered under this program.

Dr. Nicol: To the Minister of Seniors: what programs will you be sacrificing in order to fund the overtime and the additional staff to answer these phone lines?

Mr. Woloshyn: One more irrelevant, irresponsible question. The answer to that is none. We provide a service to seniors; we'll continue to provide the service. And, no, I don't know what the budget number is because we haven't processed the application forms. Some time after May 31, when the program is hopefully fully finished, I'll be coming back to the Treasury Board and to this House for supplementary requisitions.

Dr. Nicol: To the Minister of Seniors. The minister has said that

some cheques will be mailed out for this program as early as today. How could one possibly get through on the phone line, fill out the applications, and have them approved in that short period of time?

Mr. Woloshyn: Well, Mr. Speaker, I am so pleased he has posed that, because the answer to that is: yes, some cheques did go out today. I have a very diligent, efficient staff that looks at special-needs applications. As of last Monday any applications that were in the hopper, whether they be for teeth, for appliances, whatever they were, the staff were instructed to have a look at them, and if these people were also paying utility bills, without consultation, without delay we added \$400 to a homeowner and \$200 to a renter. The cheques may not have gone out today, but the paperwork is in, and they will be going out no later than Thursday. So if you applied for special needs and you had a utility problem, we took care of it for you partially. These people, just for the next question, are not restricted from applying again if the support was insufficient.

Dr. Nicol: Back to the Premier. Why doesn't this government just amend the Natural Gas Price Protection Act and help all Albertans who are in trouble?

Mr. Klein: Well, Mr. Speaker, all Albertans will be helped once the average price reaches \$5.50 a gigajoule. I don't know of any other jurisdiction in the country or in North America, for that matter, especially in the cold parts of North America, that has a program like that. I don't know if the hon. leader of the Liberal Party has been to other parts of Canada to find out what is going on or whether he wants to tell the Alberta people the comparison kinds of programs or the lack of programs in other provinces to deal with high natural gas prices. [interjection] They can have contracts here, and there is nothing wrong with contracts, but I'm talking about the price at the wellhead, the delivery costs, and so on, and what people are paying in other jurisdictions. It's astronomical not only for natural gas but for gasoline at the pumps. No, the Liberals don't like to tell those stories because that's the good side of it.

You know, I would hate to be in the opposition – I really would – because they live in a negative world. Everything is negative. To them the province is the worst possible place in which to live. I don't know why they stay here; I really don't.

The Speaker: Third Official Opposition main question. The hon. Member for Edmonton-Gold Bar.

1:50

Energy Marketing

Mr. MacDonald: Thank you, Mr. Speaker. Yesterday the Minister of Energy described an ad from a web site address. The ad from Direct Energy asks: have you rushed in to make a foolish purchase? All Albertans know that the most foolish purchase that has been made in the history of this province has been the billion dollar mistake, which is energy deregulation. My first question is to the Minister of Energy. Why is Direct Energy allowed to advertise that they are open for business when they do not have to date a licence to operate in Alberta from the Department of Energy or Alberta Government Services?

Mr. Smith: Mr. Speaker, I'm sure that *Hansard* will reflect the answer from yesterday, and if the Minister of Government Services wishes to supplement, he certainly may.

Mr. MacDonald: Perhaps to the Minister of Government Services then. Could the minister please explain how yesterday he could tell

Albertans that, yes, all energy marketers have to have a licence to conduct business in Alberta and that there is no problem with Direct Energy advertising in Alberta without a licence?

Mr. Coutts: Mr. Speaker, the answer to that question is the same as it was yesterday. Anybody marketing electricity in the province does have to have a licence, but it's not against the law to advertise.

Mr. MacDonald: Perhaps it is better with a sweater.

Now to the Premier: will the Premier please provide Albertans with some form of consumer protection and have Direct Energy pull its ads from local newspapers until such time as they have become a licensed marketer?

Mr. Klein: You know, let me get this straight. Let me fully understand. This hon. member is trying to curtail free speech – right? – one of the fundamental principles of Canadian democracy. He wants to say: muzzle them; prevent them from saying: we're coming, and we have a good product. That's what he wants to do. He wants to muzzle them. You know why? Because it might be a good story, and they aren't used to good stories. They don't like to tell good stories. They like to go around and tell everyone what is bad about this province. Mr. Speaker, I'm not about to curtail free speech, certainly not in a democracy. We'll let the Liberals do that.

Health Care Workers' Collective Bargaining

Dr. Pannu: Mr. Speaker, last Halloween the Premier stood on the steps of the Lethbridge courthouse, surrounded by national media, TV cameras and all, to support a few Alberta farmers engaged in civil disobedience against the federal grain marketing law. Present today in the galleries are nurses and other health care providers who strongly believe that a law removing their internationally recognized right to strike and unilaterally ripping up their collective agreements would similarly be unjust. My questions are to the Premier. Do all laws need to be obeyed, even unjust ones, or only the laws the Premier likes and supports?

Mr. Klein: Mr. Speaker, first of all, I'll set the record straight. We did not support them breaking the law. We said quite emphatically, as a matter of fact: if you break the law, you have to pay the penalty. This government, not the opposition, not that socialist opposition, is on record as saying that the Canadian Wheat Board is highly discriminatory. The act governing the Canadian Wheat Board is highly discriminatory because it takes away the right of choice for Alberta, the northeastern part of British Columbia, a small part of southwestern Ontario, Saskatchewan, and Manitoba. It is a matter of taking away the right of choice and having a monopoly on an individual's right to raise a crop and market that crop as he or she sees fit. They don't like that. They support that law. They support taking private property – and that's what a crop is; it's private property – and having to sell it through the government because to them the government is everything.

Dr. Pannu: To the Premier again: why does the government believe it's okay for a person to break federal laws, like those that govern wheat marketing, but not provincial laws that gut collective agreements and take away internationally recognized rights from health care workers?

Mr. Klein: Mr. Speaker, perhaps he should open his ears and close his mouth, because he obviously is not listening. I said that we did not condone – we did not say it was right to break the law. We're

saying that the law is a bad law, and those farmers either paid fines or went to jail. They served their time. They paid the price.

The Speaker: The hon. member.

Dr. Pannu: Thank you, Mr. Speaker. In light of the government's support of a handful of farmers who break federal laws, will the Premier similarly endorse the right of health care workers to break an unjust provincial law, or is the government just being a hypocrite?

Mr. Klein: Mr. Speaker, the law is the law is the law. Although some people may not like the law – and we don't like the law, and those farmers didn't like the law, but they broke the law, and they paid the price – if we pass a law, and people break the law, whether they like it or don't like it, they will pay the price. It's as simple as that.

The Speaker: The hon. Member for Calgary-Bow, followed by the hon. Member for Edmonton-Mill Woods.

Asbestos Abatement at the Foothills Hospital

Ms DeLong: Thank you very much, Mr. Speaker. I understand that there have been complaints, including in the news media, about exposure of workers to asbestos in the Foothills medical centre in Calgary. What type of work is being conducted at the centre that would involve asbestos?

The Speaker: The hon. minister.

Mr. Dunford: Thank you, Mr. Speaker. There are renovations that are under way at the Foothills medical centre, and this construction and renovation work has been going on now for a period of time. Most of the renovation work that involves asbestos – and this is around the issue that has been raised in the media in Calgary and, of course, came to the House yesterday – is in the ceiling spaces and some of the mechanical rooms. Now, the asbestos insulation is applied to beams, piping, and boilers, and the Foothills medical centre does in fact have a management plan in place to address any uncontrolled release of asbestos at the facility.

The Speaker: The hon. member.

Ms DeLong: Thank you. First supplemental to the same minister: could the minister tell us what involvement his ministry has had with the Foothills medical centre?

Mr. Dunford: Mr. Speaker, we've actually had quite an involvement since 1999, and I think it's fair to say that the use of our resources in this particular matter have been perhaps more than the ordinary. I think that's justifiable in the sense that when we hear the word "asbestos," everyone gets sensitive, as they should because this is, of course, one of the identified areas that we have to be very careful about. To provide the member and members here in the House some basic information, there have been 139 asbestos project notifications that we've received since 1999, 30 asbestos abatement projects have been inspected, and of course we've been involved in preproject meetings over this situation.

Now, as referenced and as a matter of public information because our orders are posted, we've actually submitted 22 orders, and they were in fact issued to asbestos abatement contractors where deficiencies were noticed. I want to inform the members of this House that compliance with the orders was achieved within the specified time

and that the remaining 109 asbestos project notifications have been reviewed for proper safe work procedures.

The Speaker: The hon. member.

Ms DeLong: Thank you very much. Are you satisfied that the work being conducted now at the centre poses no threat to workers or to the public?

2:00

Mr. Dunford: Under our legislation, Mr. Speaker, we have the ability to shut projects down if there's any imminent or immediate danger to workers or, you know, to the public. In this particular situation, we have not had to do that. When we've issued orders, the employer, the contractors in this particular case, have complied. It might be noted that in January of 2003 the Calgary health region has now put on permanent staff an industrial hygiene/construction safety specialist. Their duties, of course, are to oversee occupational health and safety concerns in regard to this particular construction that's going on at this facility and then, of course, also because of the presence of asbestos at that site.

The Speaker: The hon. Member for Edmonton-Mill Woods, followed by the hon. Member for Red Deer-North.

Legal Representation for Children in Care

Dr. Massey: Thank you, Mr. Speaker. Yesterday the Minister of Children's Services claimed that her department provides legal representation for children who have been abused in care. However, court records indicate that in some cases the right to representation may be denied or suspended until the child reaches the age of 18. My questions are to the Minister of Children's Services. Will the minister confirm that there are cases where the government refuses to act on behalf of children who have been abused in care?

Ms Evans: First of all, Mr. Speaker, the fundamental thing that Children's Services must do when a child is abused in care is take care of the child, protect the child, and assure the safety of the child. I think that when we've been talking over the last couple of days about the subject, I should make it eminently clear that the first thing that the child welfare director and the caseworker must do is assure that the child is removed from the scene, if that's the case, or ensure, at least, that the child is protected.

Now, while a child is in care, Mr. Speaker, under the current terms of the Limitations Act there's no legal obligation on a parent or guardian to commence civil action on behalf of a child. The Limitations Act recognizes – and I want to be very clear about this in this House – that by suspending the limitation period for the commencement of civil action while a child is a minor, it gives the right for the child when the child has matured, and it preserves that child's right to commence an action at such time as the child reaches adulthood and is able to make his or her own decision and determination about whether litigation is in his or her best interest.

Let's be clear with one other part of this, Mr. Speaker. When a child is abused in care, it may be because some birth parent, some member of the extended family, some sibling, or some friend has abused the child in care. This is no deviation from what I cited yesterday, because we do provide legal representation for children while they're in care. In the case that's currently before the courts, the 439 John Does as represented in Calgary and which has not been judged yet, the allegation, I'm assuming, that's coming across the floor is that those children have not been represented while they're

in care. I think we can come back and look at that case when the judgment is finally rendered about the merits of the case and the other details, but currently I think it's important to provide that response.

The Speaker: The hon. member.

Dr. Massey: Thank you. To the same minister, Mr. Speaker: on what basis does the government pick and choose which abused children they will follow up on with court action?

Ms Evans: Well, again, Mr. Speaker, it would appear to me that the hon. member, who has represented, again, the allegations that have come from litigation that's been launched against our department, has been very selective in citing that as a premise for this question. It depends on what's in the best interest of the child. That is the underpinning of the Child Welfare Act. That is the underpinning of every part of the practice of social work and everything that we do. More than that I cannot say, but I would invite the hon. member and all in this Assembly to review my answer yesterday in the context of, overall, what we do when a child is abused or has not been protected or has been injured in any way while they're in the care of the government of Alberta.

The Speaker: The hon. member.

Dr. Massey: Thank you. To the same minister: on what basis did the government decide not to represent the 439 children who are subject to that lawsuit in Calgary before the lawsuit was launched?

Ms Evans: Mr. Speaker, I believe that when the judgment comes out, we will be able to defend ourselves on this, and I think it's more appropriate there, but at the time I cited that there were perhaps less than 60 cases where substantiated abuse was actually confirmed to be an issue for the government of Alberta. So the overall shot in the dark which, I think, has been taken here, that all 439 might somehow have been abused while in the care of the government and while in the government's direct administration of care, is something that has not yet been substantiated by the court. I find it offensive that repeatedly the hon. member of the opposition continues to harbor allegations which have yet to be proven in a court of law.

I'd invite the Minister of Justice to add to my response.

The Speaker: The hon. Member for Red Deer-North, followed by the hon. Member for Edmonton-Riverview.

Fish Management Plan

Mrs. Jablonski: Thank you, Mr. Speaker. After this long, hard, cold winter many of my constituents will be looking forward to the spring so that they can get out with their fishing rods and enjoy the beautiful Alberta outdoors. Many Albertans have become accustomed to the catch-and-release policy on many of the lakes in Alberta and are concerned about conservation, but there's still the hope that some lakes will be suitable for some harvest. Just recently the Department of Sustainable Resource Development announced that some lakes will be opening up for walleye fishing. My question is to the Minister of Sustainable Resource Development. Considering the challenges facing Alberta's fisheries, can the minister tell this House why the decision was made to open up these fisheries?

The Speaker: The hon. minister.

Mr. Cardinal: Thank you very much, Mr. Speaker. I don't have cabins on those lakes, to start with.

As part of our overall plan to improve the Alberta fisheries, my department came forward, of course, with a balanced harvest and monitoring plan, that included 16 new lakes in the province. Most of these lakes are stocked, of course, and they are found across the province. A map was circulated to all government members. Lately, Mr. Speaker, of course, there continues to be a great interest in easing the catch-and-release restrictions with walleye in Alberta. We continue to hear from anglers, groups like the Alberta Fish and Game Association, who support conservation and who support a balanced approach in achieving well-stocked walleye.

Dr. Taylor: How many lakes, Mike?

Mr. Cardinal: Sixteen new lakes. These lakes, Mr. Speaker, were selected by the staff. They felt that additional harvest without jeopardizing recovery was in support of our walleye management plan. Some of these lakes include Vincent Lake, Long Lake, that only have a limited, three fish per week harvest, whereas some lakes can sustain more. Further details of the plan, of course, are in this booklet which was released. Page 6 shows a nice message, and I encourage people to read that.

Mrs. Jablonski: Mr. Speaker, my final question to the same minister: given that the Western Walleye Council strongly recommends continuous stocking of select lakes to ease the fishing pressure on lakes with natural recruitment, will the ministry consider developing an effective and efficient stocking program?

The Speaker: The hon. minister.

Mr. Cardinal: Yes, Mr. Speaker. I feel very confident that my department has taken a balanced approach in selecting these lakes, and I believe these are the most suitable lakes at this time for walleye fisheries. It is important to note that these lakes will get, also, additional monitoring on an ongoing basis. We are, of course, making some minor adjustments in some of our lakes, with pike fisheries for an example, and are in fact reducing some walleye harvest in some lakes and also reducing some perch catch in other lakes. So we are going to continue monitoring the situation.

2:10 Asbestos Abatement at the Foothills Hospital (continued)

Dr. Taft: Mr. Speaker, it's clear, based on extensive documentation and on many eyewitness reports, that there have been serious breaches of proper asbestos removal at the Foothills hospital in Calgary. The health and lives of workers and possibly of patients and the public have been placed in jeopardy. To the Minister of Health and Wellness: can the minister confirm that requests by workers and contractors to have asbestos properly removed from the Foothills were denied by the Calgary health region management because it was not covered in the budget?

Mr. Mar: Mr. Speaker, I'm not aware of such an allegation.

Dr. Taft: Go and look it up.

To the Minister of Health and Wellness again: can the minister explain why the Calgary health region just this week denied that there has been any risk to staff or patients from asbestos exposure at the Foothills, when the government's own documents show that this is patently untrue?

Mr. Mar: Mr. Speaker, I believe that if the hon. member will refer to *Hansard*, the minister responsible for human resources answered that question earlier today.

Dr. Taft: I'll try again. All right. To the Minister of Human Resources and Employment: given that asbestos exposure is the largest occupational cause of death and disease, will the minister bring a Crown prosecutor into this case to consider charges under the Occupational Health and Safety Act?

Mr. Dunford: Mr. Speaker, we bring in Crown prosecutors in matters where there are violations of orders, violations of the particular act. The normal process is that we send inspectors to the work site to inspect the work, and they write orders. Of course, if there's noncompliance within a specified time on these orders, then we have the option of whether or not we wish to take further action. As I mentioned in a previous question earlier today, we actually have issued 22 orders on asbestos abatement contractors where deficiencies were noted. In every case the contractor, or the employer, has applied and has lived by those orders within the specified time.

Now, the hon. member is persisting in a certain line here. If he has information that we've not had provided to us through the employer, through our investigation, he's certainly welcome to place it on my desk, and we'd be glad to have a look at it.

The thing we have to understand, though, is that asbestos just in and of itself is not the hazard. Asbestos in place, of course, was a normal building component. The thing about it is that when we're removing asbestos, then we have to be very, very careful because this is when it can be harmful: when it gets into the air and when it is inhaled. It's not on the skin, anything like that. It has to be inhaled, and that's what our inspectors are out there looking for. We have the legal mandate to protect workers in these kinds of situations, Mr. Speaker, and we are doing that.

The Speaker: The hon. Member for Edmonton-Calder, followed by the hon. Member for Edmonton-Ellerslie.

Seniors' Housing

Mr. Rathgeber: Thank you, Mr. Speaker. For quite some time now the ministries of Municipal Affairs and Seniors have been floating the idea of removing private, nonprofit seniors' housing from receiving grants in place of municipal taxes. It has been suggested that this change will in fact take place this year. Many seniors in my constituency are concerned, noting that in some cases this could result in rent increases of up to 20 percent. My question is to the Minister of Municipal Affairs. Could you explain the reasoning behind removing nonprofit seniors' housing from the list of facilities who receive grants in place of taxes?

The Speaker: The hon. minister.

Mr. Boutilier: Thank you, Mr. Speaker. It's a very good question. In 1995 the Municipal Government Act was amended, which basically allowed municipalities to tax nonsubsidized and not-for-profit seniors' organizations, but our government, actually, since 1995 paid a grant to the municipalities to cover their taxes. We're still doing that. The regulation has just lapsed. We've been hearing from seniors relative to the situation, and I'm very proud to say that based on support from my colleagues and our government, we will be continuing for the next few years with this program.

Mr. Rathgeber: That is, indeed, very good news.

My supplemental question is to the Minister of Municipal Affairs. Is this idea of phasing out nonprofit seniors' housing grants in place of taxes simply being delayed, or is it off the table altogether?

Mr. Boutilier: Of course, we never say never. I think it's always worthy of review, but I can say that for the fiscal year 2002, the fiscal year 2003, and subsequent years out in regulation we will be providing the grant to assist seniors because that's our commitment as a government. There are 47 seniors' facilities that are unsubsidized that are not for profit, and we're, again, listening to what seniors have said and the hon. member who has brought this to my attention, and we're going to continue to help them for the years out.

Mr. Rathgeber: My second supplemental is to the Minister of Seniors. Given that many seniors are having difficult times making ends meet, what is his ministry doing to help low-income seniors who are having economic hardships due to high rents?

Mr. Woloshyn: Mr. Speaker, first of all, I'd like to point out that the seniors' benefits program is directed at low-income seniors, and our highest level of support under the seniors' benefits program is towards renters. In addition, the special-needs assistance program, which does have a \$5,000 maximum, is also directed at the lower income seniors. We have a very good lodge program within the province, where the ones that are run by the foundations in association with the government must leave in the senior's pocket \$265 regardless of the rent. So that is taken into consideration.

The ones that you just referred to in your previous questioning, the low-income ones, do have a look at being fair with the rents. Yes, it is a concern, and we'll be looking at the matter not only as it pertains to the very bottom end but looking at the threshold levels too, because in fact that is becoming a greater concern as we're going along, but we don't have a specific program directed at renters per se at the moment.

Water Strategy

Ms Carlson: Mr. Speaker, an innocent bystander could be excused for thinking that this government doesn't care about one of Alberta's most precious resources: its water. For all of its posturing and the lip service it pays, this government has done remarkably little to ensure that Albertans have safe access and plentiful supplies of water. To the Minister of Environment: why is there no water consumption monitoring program in this province?

Dr. Taylor: Well, Mr. Speaker, there are certainly in the cities that are metered water consumption monitoring programs, because the meters in the cities monitor. With the oil industry as well, if that's what she's referring to, although she was a bit indirect, they are given a licence, and they are required to report how much water they use.

Now, does that mean that we cannot do better? Of course not. We can do better, and one of the issues that you're going to see, as we come forward, in our water strategy, which we will put on our web site, hopefully, at the end of the month, is ways to actually monitor more effectively, not that we're not doing it – I said more effectively – the appropriate amount of water that's being utilized in this province, because as we go forward, we have a very serious issue with water utilization in the 10- to 15-year time frame. So we need to have better methodologies of monitoring the water utilization.

Ms Carlson: When will the Minister of Environment launch a

provincial water inventory project so that fact-based decisions can be made?

Dr. Taylor: Once again, Mr. Speaker, one of the things you will see in the water strategy as it comes forward – and, you know, we kind of wanted it to be a bit of a surprise, but we seem to be leaking this information out slowly, but it is water. As we go forward, for instance, groundwater is an issue. We do not have good maps of groundwater in terms of the amount or the quality of the groundwater, and that's one of the issues that we need to deal with.

Ms Carlson: They've been talking about this as an issue to deal with for as long as this minister has been in this House. When are they going to do it? When are they going to develop the maps, develop an inventory, and start monitoring water in this province? It's not that hard to do.

Dr. Taylor: Mr. Speaker, I was minister for about six months or less when we started this process, so I don't think that's that long. We started last June with a water forum in Red Deer that stakeholders attended and discussed issues. We put some information out on our web site, in a document in MLAs' offices, and we had a huge number of responses. The draft water strategy that we're going to put out at the end of the month will be mailed to 1,300 stakeholders.

2:20

An Hon. Member: How many?

Dr. Taylor: To 1,300 stakeholders and also to the people that were involved in the water forum.

All of those people, Mr. Speaker, are going to monitor this program as we go forward, and we will have a final water strategy available in the fall. That will be just a little over two years since I was made minister. We are acting. It's an important issue, and we will continue forward.

The Speaker: The hon. Member for Edmonton-Highlands, followed by the hon. Member for Edmonton-Meadowlark.

Natural Gas Prices

Mr. Mason: Thanks very much, Mr. Speaker. Soaring gas prices are causing widespread misery among tens of thousands of Albertans. Those who are on a limited income are suffering severely. Before the last election the government promised gas rebates to protect Albertans from spikes in gas prices. To the Minister of Energy: why has the government broken its promise to Albertans to protect them from spikes in natural gas prices?

Mr. Smith: The government has not broken its promise, Mr. Speaker.

Mr. Mason: Mr. Speaker, given that the minister has repeatedly said that the legislation under the gas protection act was the reason that they couldn't give relief to Albertans now that they need it, will he admit that all it takes is a simple cabinet decision to change the rules and give Albertans the protection they need from natural gas prices?

Mr. Smith: Mr. Speaker, the Natural Gas Price Protection Act is a matter of record. It was thoroughly debated in the House in the period of 2001 in the spring session. The member was here. We've got excerpts from his debate. We've got excerpts from the opposition debate. There was not a standing vote on it, so we can only

assume that they approved it, as well, and support the decision. In fact, it was all done in an open, transparent manner, and we were absolutely critical about ensuring that we had a program in place that would protect Albertans from a period of these price increases.

Now, what the member neglects to add is that, in fact, the threshold price for the natural gas protection act is 5 percent-plus lower than what it was in 2001, and we have not reached those numbers yet. In fact, for the balance of March, to obey the legislation that that member voted for as well as other members of the House, the price of natural gas would have to reach \$19 per gigajoule.

Mr. Mason: Mr. Speaker, given that we now have a rebate program with no rebates, why won't the minister admit that a cabinet decision could change the threshold, that could give immediate relief to Albertans who need it now? Why won't he bring it forward at the next cabinet meeting?

Mr. Smith: Well, Mr. Speaker, that's probably the same individual who accuses us of doing things in secret and behind closed doors at cabinet meetings. We don't do that. We bring forward legislation that is debated in this House in a transparent fashion, and all the folks over there that are now talking about this bill and what it should be and what it shouldn't be were all here for this debate. In fact, if I look back, I can think of things from Mr. Mason, who said, "It was in fact through natural gas rebates that the present government [is] where it is today."

Well, we have delivered on a promise that is consistent and is available for all Albertans. It has a threshold price. It's lower than what it was in 2001. We have reached out to seniors, we have reached out to families in need, and we are monitoring the situation on a daily basis.

The Speaker: The hon. Member for Edmonton-Meadowlark, followed by the hon. Member for Edmonton-Centre.

Education System

Mr. Maskell: Thank you, Mr. Speaker. Despite the high scholastic achievement of Alberta students, despite the level of remuneration to teachers, despite the high statistical level of provincial funding dedicated to education in Canada, there remains a consistent charge that education, particularly kindergarten to 12, is underfunded and not a priority of this government. There are many anecdotal incidents that do little to promote the improvement of our learning system. My question – and I have only one question, no supplements – is to the Minister of Learning. What is the government doing to restore a nonconfrontational relationship with parents, teachers, school boards, and most importantly, students?

The Speaker: The hon. minister.

Dr. Oberg: Thank you very much, Mr. Speaker. I just will reiterate what the hon. member has said. First of all, we have the highest paid teachers in the country by about 8 to 10 percent. Secondly, our students do the best in the country, as a matter of fact the best in the world when it comes to any international assessments or national assessments. Thirdly, in the province of Alberta we spend more on education per capita than any other province in the country by a significant amount.

With regard to the member's actual question about the nonconfrontational relationship, it is my belief and it is my will that

we do not have a nonconfrontational relationship, Mr. Speaker. We don't want to have a confrontational relationship, and it is something, as the hon. member has said, that we monitor constantly. I meet with school boards. As a matter of fact, to this date I have met with about 15 school boards since the 1st of January. We have had some very constructive meetings, and I have given the School Boards Association an undertaking to meet with all 64 school boards by the end of June, so that is something that I'm certainly working towards.

With regard to the teachers, Mr. Speaker, as the hon. member knows, in the throne speech we have committed to getting more grassroots input from the teachers, to talking to teachers. The exact mechanism of that is yet to be worked out, but we hopefully will be talking to some grassroots teachers around the province.

Mr. Speaker, with students, for example, last Friday with Chinook's Edge in Innisfail I had the opportunity of touring a school and reading to students for probably a good half-hour. It was very interesting. It was good. Last Friday I had the opportunity of mentoring students at the Calgary Educational Partnership Foundation, which again was very fulfilling. I didn't see any opposition politicians there. It was minus 30, but we went out and took 250 kids who are at risk of not staying in school out onto the ski slopes and mentored them.

So, Mr. Speaker, we're doing a lot.

The Speaker: The hon. Member for Edmonton-Centre, followed by the hon. Member for Calgary-Currie.

Bingo Licensing Review

Ms Blakeman: Thanks very much, Mr. Speaker. In January of this year it was announced that stakeholders were to be consulted with regard to changes to bingo terms and conditions. Since that time I've received dozens of letters from organizations who have concerns over some of the proposed suggestions. Many of these nonprofit and charitable groups are volunteer based, meeting weekends and evenings, and require several months to meet, form committees, prepare a response, and report back to their board for approval. My questions are all to the Minister of Gaming. Given that the first deadline extension to April 30 is not enough for these groups, will the minister extend the deadline to June 2003, to allow them enough time to prepare responses?

Mr. Stevens: Mr. Speaker, the background with respect to this matter goes back to 2001 when this government considered the licensing policy review recommendations, which included 13 recommendations regarding bingo. At that point in time we accepted it and have been working on implementation of some of them. Others, ultimately, as a result of consultation with the bingo industry, made their way into a draft terms and conditions document, that went out this past January. As the hon. member has indicated, one request for an extension from the end of February, which was the original deadline, to the end of April has been received and accepted. At this point in time it would appear that that is adequate.

I can tell you, sir, that the AGLC, the Alberta Gaming and Liquor Commission, who is responsible for this, is meeting with each and every one of the bingo associations; there are some 50-odd throughout the province. So there will be a direct contact, all of which, I believe, will be by the end of this month. That leaves a full month after that face-to-face consultation has occurred for additional written material to be provided.

2:30

The Speaker: The hon. member.

Ms Blakeman: Thanks very much, Mr. Speaker. I'm curious as to why the government only provided partial documents of the bingo terms and conditions to these groups when the government supposedly wants informed feedback. Why were only partial documents provided?

Mr. Stevens: Mr. Speaker, the draft terms and conditions relative to bingo in full are contained on the web site of the AGLC. Candidly, without detail I wouldn't be able to provide further particulars. If the hon. member wishes to tell me in what fashion she understands there to be a deficiency regarding the material, I'd be happy to consider it.

Ms Blakeman: Sure. I'll supply that.

Final question to the same minister: given that under the proposed terms and conditions a facility which uses electronic bingo, not the handheld, must provide for a bar or a lounge, why is the government creating such an unpalatable choice for many charities? Is the new policy no bingo without booze?

Mr. Stevens: The draft terms and conditions provide particulars with respect to three aspects of electronic gaming, one of which is handheld bingo, another which is POG bingo, machine bingo, and I believe that that is the one that the hon. member is referring to. The draft terms and conditions do draw a connection to the service of alcohol. The fact is that with respect to the introduction of electronic gaming into bingo halls, it's adults-only or 18-only access.

The fact is that these are draft terms and conditions. We have indicated to the bingo associations that by virtue of being draft, we're interested in hearing from them as to what they would like to see, and the AGLC is receiving those alternatives. In meeting with some representatives of the bingo associations, I have indicated that on that particular point the liquor provision should be an option, that it shouldn't be a mandatory condition, and I anticipate that that probably is something that will make its way into the final terms and conditions.

head: **Statement by the Speaker**

Sixth Anniversary of Election to Legislature

The Speaker: Hon. members, six years ago today, on March 11, 1997, 21 members received the right to attend this particular institution, so let me congratulate today the hon. Minister of Justice and Attorney General, the hon. Minister of Gaming, the hon. Minister of Children's Services, the hon. Minister of Municipal Affairs, the hon. Minister of Revenue, the hon. Member for Edmonton-Centre, the hon. Member for Edmonton-Glengarry, the hon. Member for Redwater, the hon. Member for Calgary-Fort, the hon. Member for Bonnyville-Cold Lake, the hon. Member for Calgary-Lougheed, the hon. Member for Wetaskiwin-Camrose, the hon. Member for Leduc, the hon. Member for Calgary-West, the hon. Member for Clover Bar-Fort Saskatchewan, the hon. Member for Edmonton-Gold Bar, the hon. Member for Olds-Didsbury-Three Hills, the hon. Member for St. Albert, the hon. Member for Edmonton-Strathcona, the hon. Member for West Yellowhead, and the hon. Member for Banff-Cochrane on their sixth anniversary.

Before I call on the first hon. member, might we revert briefly to Introduction of Guests?

[Unanimous consent granted]

head: **Introduction of Guests***(reversion)***The Speaker:** The hon. Minister of Health and Wellness.

Mr. Mar: Thank you, Mr. Speaker. It's an honour for me to be associated with the health care system that we enjoy in this province, which is measurably one of the best systems in Canada. There are many people who should take responsibility for that. We have outstanding health workers – nurses, technologists, technicians, physicians, and surgeons – but we also have outstanding administrators. In your gallery today are representatives, being chairs and CEOs, of the newly drawn nine-boundary regional health authority model. I would ask that these individuals please stand and be recognized by this House in the traditional manner: Mr. Len Mitzel, chair, region 2; Tom Siemens, CEO, region 2; Jack Davis, chief executive officer of health region 3; Jean Graham and John Vogelzang, chair and CEO of health region 4; Mr. Steve Petz, CEO of region 5; Sheila Weatherill, chief executive officer of health region 6; Robert Jackson and Bob Cable, chair and CEO of region 7; Mr. Dalton Russell, chief executive officer of health region 8; and Patricia Pelton, chief executive officer of health region 9.

head: **Members' Statements****The Speaker:** The hon. Member for Edmonton-Glenora.head: **Oral Question Period Policies**

Mr. Hutton: Thank you very much, Mr. Speaker. A question in Oral Question Period is out of order if, among other things, it is long and rambling, is an inquiry about a matter for federal jurisdiction, is hypothetical or seeks the hypothetical, seeks information on a bill scheduled for discussion today, seeks information from a minister whose estimates are up for consideration today, seeks opinions, seeks legal opinions, asks about something before the courts, asks a minister to speculate, asks the minister to comment on something outside the minister's sphere of competence, is unrelated to government policy, seeks comment on a newspaper article, accuses someone of lying, is guilty of naming a member by proper name rather than constituency name or executive office.

Although my question is more of a federal jurisdiction thing and kind of hypothetical and although the bill and budget issue I want to talk about is on the Order Paper under projected government business for consideration this evening prior to the scheduled consideration of the minister's estimates, could the minister give us his opinion or legal advice as it affects matters currently before the courts on what the bill's impact will be 10 years down the road, especially if the minister could speculate, though it is outside the sphere of the minister's competency and doesn't really have a lot to do with government policy? Regardless of that, could the minister speculate regarding a recent newspaper article claiming that a member of the opposition is deliberately lying to the Premier, Ralph Klein, about a bill? Obviously, the sky hasn't fallen, as the opposition predicted.

I believe, Mr. Speaker, I just broke all 14 principles. I trust this bad example provided by Mr. Gillies and me will assist members, researchers, and communications officers in the future. Thank you.

The Speaker: The hon. Member for Grande Prairie-Wapiti.

**Canada Winter Games
Team Alberta**

Mr. Graydon: Thank you, Mr. Speaker. I rise this afternoon to

recognize Team Alberta's 342 members, consisting of athletes, coaches, managers, artists, and mission staff, who recently participated in the 10th Canada Winter Games in New Brunswick, which our Minister of Community Development also briefly attended.

Since 1967 the Canada Winter Games have provided a cultural and athletic experience for young athletes and cultural delegates from across Canada. I am proud to report that this year it was mission accomplished. Team Alberta has had its best showing ever and finished third overall with a total of 91 medals: 28 gold, 36 silver, and 27 bronze. They impressed all of Canada and Alberta with their skills, talents, abilities, and their spirit of healthy competition. In doing so, they continued a rich legacy of young Albertans who personify hard work, commitment, and determination.

I was honoured to have been the mayor of the host city of the 1995 Canada Winter Games in Grande Prairie. Athletes and good citizens are made through hard work, commitment, strong families, and the opportunity for competition and growth. Our growing participation and success in regional, provincial, national, and international sports are proof positive that sports are a wise investment in our future. I am proud that Alberta Community Development through its Alberta Sport, Recreation, Parks and Wildlife Foundation has helped to prepare our athletes for these and similar competitions. Many go on to represent our province and our country at international events.

In recognition of their achievements I ask all members of this Assembly to join me in congratulating the athletes, coaches, volunteers, artists, staff, parents, and family members who took part and participated in the 10th Canada Winter Games. Thank you.

International Women's Day

Dr. Pannu: Mr. Speaker, last Saturday, March 8, was International Women's Day. This is the day celebrated around the world to mark the struggle of women everywhere for equality, justice, peace, and development. I salute the women who braved the bone-chilling temperatures by gathering in various communities across the province to celebrate International Women's Day, including two dozen Edmonton women who endured minus 40-degree wind chills to rally in front of city hall. I salute the 350 Edmontonians who in conjunction with these events attended a benefit event that raised over \$10,000 for Alberta women's shelters.

Many International Women's Day activities across Canada and around the world this year focused on the imminent invasion and occupation of Iraq. Women know this will not only be a war against Iraq but also in a very real sense a war against Iraqi women and children. Throughout history women often led the struggle opposing war. This year, in 2003, as some nations once again gear up for war, many International Women's Day events included readings of Aristophanes classic play *Lysistrata*. *Lysistrata* organized women to withhold certain private relationships from men until they agreed to put an end to a foolish and unnecessary war in ancient Greece. Last Saturday reading *Lysistrata* was part of International Women's Day events held in Calgary and Medicine Hat. There are similar readings in dozens of communities across Canada and over 1,000 readings in 59 countries around the world. If enough of us raise our voices for peace, we can once again avoid or discourage yet another disastrous war in the Middle East, a region that has in recent decades endured too many wars already.

2:40

My colleague from Edmonton-Highlands and I will be joining thousands of Albertans at a major peace rally on Saturday, March 22. I invite the members of this House to join us at that rally. The rally will begin at 1 p.m. at Churchill square in downtown Edmonton.

Similar rallies are being organized in other Alberta communities. Together, Mr. Speaker, we can win the peace.

Thank you.

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

The Speaker: The hon. Member for Calgary-Lougheed.

Ms Graham: Thank you, Mr. Speaker. In accordance with Standing Order 94 the Standing Committee on Private Bills has received the petitions presented Monday, March 10, 2003, and can advise the House that the petitions comply with Standing Orders 85 to 89.

Mr. Speaker, this is my report.

The Speaker: Would all hon. members in favour of the report, please say aye.

Hon. Members: Aye.

The Speaker: Opposed, please say no. The report is carried.

head: **Presenting Petitions**

Mr. MacDonald: Mr. Speaker, I have at this time a petition urging that there be an increase in AISH rates across this province, and this is organized by Joanne Black in Calgary and signed by many Calgarians.

Thank you.

head: **Introduction of Bills**

The Speaker: The hon. Minister of Human Resources and Employment.

**Bill 27
Labour Relations (Regional Health Authorities
Restructuring) Amendment Act, 2003**

Mr. Dunford: Thank you, Mr. Speaker. I request leave to introduce a bill being Bill 27, the Labour Relations (Regional Health Authorities Restructuring) Amendment Act, 2003.

I might point out, Mr. Speaker, that it is an unusual title for a bill, but it is a means, then, to send a message to all Albertans that a special situation has developed within health care in terms of restructuring, and it needs a response in terms of labour relations by this government.

[Motion carried; Bill 27 read a first time]

head: **Tabling Returns and Reports**

The Speaker: The hon. Minister of Justice and Attorney General.

Mr. Hancock: Thank you, Mr. Speaker. It's my pleasure today to table the response to Written Question 7, accepted by this House yesterday. I would advise the House that copies of the response have been delivered to the Member for Edmonton-Centre, who raised the question, as well as to the Leader of the Official Opposition and the leader of the third party.

The Speaker: The hon. Member for Calgary-Buffalo.

Mr. Cenaiko: Thank you, Mr. Speaker. I'd like to table the required number of copies of 50 letters supporting Bill 206, the Traffic Safety

(Seizure of Vehicles in Prostitution Related Offences) Amendment Act, 2003. The letters tabled today are from people living in Calgary, Strathmore, and De Winton and are an indication that many Albertans are concerned about the effects that street prostitution has on Alberta's urban communities.

Thank you.

Mr. Lougheed: Mr. Speaker, I'm pleased to table the Alberta Disability Strategy, prepared by the Premier's Council on the Status of Persons with Disabilities, and present it to the government for consideration. Viewers can obtain copies by phoning 422-1095 or toll free 1-800-272-8841.

Thank you, Mr. Speaker.

The Speaker: The hon. Member for Edmonton-Ellerslie.

Ms Carlson: Thank you, Mr. Speaker. I'm tabling five copies of a court excerpt indicating that the government may or may not represent children who have been abused in care, a practice which some of us in this Legislature find reprehensible.

The Speaker: The hon. Member for Edmonton-Strathcona.

Dr. Pannu: Thank you, Mr. Speaker. I rise to table five copies of a New Democrat opposition news release dated October 30, 2002, regarding the Premier's visit to Lethbridge in support of the farmers who had broken the law.

Thank you, Mr. Speaker.

The Speaker: The hon. Member for Edmonton-Highlands.

Mr. Mason: Thanks very much, Mr. Speaker. I have one tabling today. It's a letter from Dianne Strilaeff dated February 25, 2003, and addressed to the Minister of Energy. Mrs. Strilaeff is concerned with the rising cost of natural gas and power and is seeking help to pay her bills.

The Speaker: Additional tablings?

Hon. Member for Edmonton-Highlands, did you rise on a point of order?

Mr. Mason: I did indeed, Mr. Speaker.

The Speaker: Please proceed then.

Point of Order

Referring to a Member by Name

Mr. Mason: Mr. Speaker, during the answer to my question the Minister of Energy referred to me by name rather than by my constituency. Under *Beauchesne* 484

it is the custom in the House that no Member should refer to another by name. Members should be referred to in the third person as the "the Honourable Member for . . ."

and so on.

That concludes my point of order, Mr. Speaker.

Mr. Hancock: Mr. Speaker, it was clear that the hon. minister was using a quote from *Hansard*, in which members' names are printed. That may in fact be a breach of the spirit of the rule but not of the letter of the rule. In any event, if it was a breach of the rule, it was a rather modest one, and I think the House could be just advised of the rule again and advised not to use members' names in the House. Perhaps the Speaker could clear up the question as to whether, in

quoting *Hansard*, one should insert the name of the constituency instead of the name of the member as it's printed in *Hansard*.

The Speaker: Well, an admonishment was given, directed to the Minister of Energy at the time. Perhaps the Member for Edmonton-Highlands had not heard it, but there certainly was an admonishment provided by the chair at the time.

It is absolutely correct: we do have this anomaly. *Hansard* refers to the name of the individual rather than the constituency. So you have this, I guess, little – little – dilemma that, in essence, if one is quoting from *Hansard*, you do run across the name. I think the preferred approach, of course, would be to refer not by name but to the constituency, and that would provide some purity with respect to the whole issue. But, hon. member, admonishment was provided at the time.

head: **Orders of the Day**

Transmittal of Estimates

The Speaker: The hon. Minister of Finance.

Mrs. Nelson: Thank you, Mr. Speaker. I've received a certain message from Her Honour the Honourable the Lieutenant Governor, which I now transmit to you.

The Sergeant-at-Arms: Order!

The Speaker: Hon. members, the Lieutenant Governor transmits interim supply estimates of certain sums required for the service of the province and of certain sums required from the lottery fund for the fiscal year ending March 31, 2004, and recommends the same to the Legislative Assembly, dated March 10, 2003.

Please be seated.

The hon. Minister of Finance.

Mrs. Nelson: Thank you, Mr. Speaker. I now wish to table the 2003-2004 interim supply estimates. These interim supply estimates will provide spending authority to the Legislative Assembly and the government for the two and a half months ending June 15, 2003. By that date it is anticipated that spending authorization will have been provided for the entire fiscal year ending March 31, 2004. As announced previously, we are tabling Budget 2003 on April 8.

When passed, these interim supply estimates will authorize approximate spending of \$4.8 billion in operating expense and equipment and inventory purchases, \$90 million in capital investment, \$50 million in nonbudgetary disbursements, and \$309 million in lottery fund payments. Interim supply amounts are based on departments' needs to fund government programs and services. While many payments are monthly, other payments are due at the beginning of the quarter and fiscal year. Some payments are seasonal.

2:50 head: **Government Motions**

11. Mrs. Nelson moved:

Be it resolved that the message from Her Honour the Honourable the Lieutenant Governor, the 2003-04 interim supply estimates, and all matters connected therewith be referred to Committee of Supply.

The Speaker: This is a debatable motion.

The question has been called.

[Government Motion 11 carried]

12. Mrs. Nelson moved:

Be it resolved that pursuant to Standing Order 58(9) the number of days that Committee of Supply will be called to consider the 2003-04 interim supply estimates shall be two days.

[Government Motion 12 carried]

head: **Government Bills and Orders**

head: **Second Reading**

Bill 12

Financial Sector Statutes Amendment Act, 2003

The Speaker: The hon. Member for Calgary-North Hill.

Mr. Magnus: Thank you, Mr. Speaker. It is my honour today to move second reading of Bill 12, the Financial Sector Statutes Amendment Act, 2003.

This bill includes a set of amendments to financial sector statutes administered by the Department of Finance. The vehicle of omnibus legislation is an approach that the department hopes to use in the future to ensure that the Alberta financial sector legislation is updated on a regular basis. It also fosters greater consistency with respect to the business powers of the Alberta financial institutions affected and allows the government to promote a level playing field with their federally regulated competitors on a timely basis.

Alberta Finance is responsible for regulating the insurance industry and provincially incorporated financial institutions operating in this province. The ministry is also responsible for legislation governing a number of public-sector pension plans. Among the major amendments proposed in the legislation is a proposal to allow deposit-taking institutions to acquire life insurance agencies to compete with federal financial institutions; a proposal to exempt employee benefit plans covering medical, dental, prescription drug, and disability benefits from the Insurance Act subject to provision allowing the application of the legislation or elements of it to a long-term disability plan should the need arise; provisions to allow the credit union system to better co-operate nationally; and a provision to formalize the Minister of Finance's ability to approve regulatory guidelines for Alberta Treasury Branches similar to those used for banks and other federally regulated financial institutions.

The first three proposals were the subjects of stakeholder consultation, while the last two were specific to the credit unions and Alberta Treasury Branches and are recommended following consultation with the affected entities. The proposal for regulatory guidelines for ATB is in response to a recommendation of the Auditor General. Within the Insurance Act we're proposing to amend the Insurance Act to exempt employee benefit plans, and this brings our legislation in line with the treatment of those plans elsewhere in Canada, with the decision to exempt them being made after consultation with the stakeholders involved, Mr. Speaker.

Many employees made the point that requiring coverage of these benefits through insurance would be too costly. As well, for some benefits insurance is not readily available, and the act will provide that it would continue to apply to long-term disability benefits only if a regulation is passed to bring it into effect for specific categories of long-term benefits. This provision is put forward to recognize the difference in impact on the individual between employee benefit plans, such as sickness and dental, and long-term disability coverage. We propose to give the minister the ability to cancel the licence of an extraprovincial insurer who fails to meet the legislated \$3 million capital requirement, and the provision ensures that extraprovincial insurers are treated the same as Alberta registered insurers for purposes of complying with Alberta's prudential standards.

With regard to the ATB Act, the Credit Union Act, and the Loan and Trust Corporations Act, the insurance companies, deposit-taking institutions, and trust and loan companies are increasingly competing with each other in the provision of services to Albertans. The amendments are designed to provide a level playing field for provincial institutions, and we're proposing to amend the Alberta Treasury Branches Act to allow ATB Financial to own life insurance brokerage subsidies. Similar amendments would be made to the Credit Union Act and the Loan and Trust Corporations Act to enable these institutions to also own life insurance brokerage subsidies. This levels the playing field and allows them to compete with banks and other federally regulated entities in the provision of wealth management services. However, the authority does not extend to property and casualty insurance.

I'd like, Mr. Speaker, now to turn to discrete amendments to the various statutes. Under the ATB Act Lieutenant Governor in Council approval was required to ensure that strategic investments were approved. However, the established business planning processes have eliminated the need for approval of the institution's significant shareholdings. The minister's approval of ATB's business plan provides the necessary control over these shareholdings. Therefore, it is not necessary for the Lieutenant Governor in Council to also approve these investments.

Other amendments include allowing financial leasing directly by ATB, which would harmonize the ATB with federal financial institutions. The ATB amendments would also add additional regulation-making powers to formalize the use of guidelines in setting standards comparable to those followed by federal financial institutions and to adopt regulations governing the treatment of unclaimed deposits. These two amendments act on recommendations by the Auditor General.

Under the Credit Union Act, owing to the speed at which changes occur in the financial services sector, Credit Union Central Alberta will be given the capacity to exercise business powers available to Credit Union Central of Canada, provided those powers do not conflict with the Credit Union Act. Approval by the Lieutenant Governor in Council will be required prior to exercising those business powers. For business reasons dealing with the efficiency and effectiveness of Credit Union Central Alberta and the credit union system generally, a framework for allowing the amalgamation of provincial centrals will be available in the legislation. Conditions for amalgamation would be set, again, by the Lieutenant Governor in Council.

Other changes include increasing the number of Credit Union Central nominees on the Credit Union Deposit Guarantee Corporation's board from one to two members, enabling credit unions to use means other than local newspapers to connect individuals to unclaimed account balances, and provisions requiring disclosure of annual remuneration to the credit union boards to improve transparency to members. Recognizing the need to protect the privacy of an individual board member, the provisions require disclosure on an aggregate basis; for example, the range of remuneration paid on the board and the average individual amount paid to directors. The LTCA amendment brings into the act an exemption from application of the Freedom of Information and Protection of Privacy Act that was previously contained in a FOIP regulation. The provision also includes a 50-year limit from the time the information is received by the regulator on the FOIP exemption. This provision is similar to the treatment of archived information under the FOIPPA.

Mr. Speaker, under the Public Sector Pension Plans Act the proposed amendment will remove the solvency funding requirements for the statutory public-sector pension plans. It will leave the flexibility to prescribe solvency funding requirements if required in

the future. The requirement for the plans to fund on a going-concern basis will remain. Solvency funding requirements are used to determine if there are enough assets to pay benefits earned to date in the event of plan termination. Solvency funding requirements are not necessary for public-sector pension plans because the risk of the employer declaring bankruptcy and winding up the plan is extremely remote. Further, its application to jointly funded public-sector plans can lead to significant volatility and upward pressure on employee and employer contribution rates when market interest rates and investment returns are low and stable. Removing the requirement to fund for solvency will stabilize employee and employer contribution rates and lessen intergenerational inequities, and it again brings us in line with many other public-sector plans in Canada.

Under the universities academic pension plan, Mr. Speaker, as of January 1, 2001, the universities academic pension plan is no longer established under the Public Sector Pension Plans Act and is now regulated under the Employment Pension Plans Act. All of the plan's liabilities and assets have been transferred to the new nonstatutory pension plan.

The consequential amendments include proposed amendments to the Funeral Services Act and the Cemeteries Act to remove references to credit unions and loan corporations as authorized trustees for the purposes of prefunding arrangements such as the purchase of funeral plots or funeral services in advance of death. The very limited trustee powers of these institutions are already set out in their own incorporating statutes. The amendments remove the potential for a loan company or a credit union to incorrectly hold preneed trust moneys. We will be doing a full review of trust powers for provincially incorporated financial institutions at a later date.

3:00

Mr. Speaker, again, the purpose of this omnibus legislation is to modernize existing legislation to keep our provincial financial institutions on a level playing field with their federal counterparts. I'd urge all members of the Assembly to support this bill in second reading.

Mr. Speaker, I would move adjournment of the debate at this point in time.

[Motion to adjourn debate carried]

Bill 19

Gas Utilities Statutes Amendment Act, 2003

Mr. Ouellette: Mr. Speaker, I am pleased to move second reading of Bill 19, Gas Utilities Statutes Amendment Act, 2003.

As with electricity government is pursuing further changes to the structure of the retail natural gas marketplace in a process that began over 20 years ago. These legislative changes have no effect on the Natural Gas Price Protection Act or on wholesale natural gas prices, which are set between buyers and sellers in the North American market.

Providing natural gas customer choice, which gives customers the ability to buy gas and other related services from the provider of their choice, is not new. Large industrial consumers in Alberta were first given choice in the late 1970s. Small industrial consumers gained this right in 1998. Commercial and residential customers saved when the major investor-owned utility companies gained access to choice in 1996. These rules allowed Alberta consumers served by major investor-owned gas utilities – ATCO Gas North, ATCO Gas South, and AltaGas Utilities – to buy natural gas from the supplier of their choice. At that time, choice was also extended to residential and commercial customers of municipally owned gas utilities at the municipality's discretion. It was not extended to small

volume customers of rural gas co-operatives because of their smaller scale and unique nature. Today virtually all industrial customers, which use about 80 percent of the natural gas in the province, have exercised choice as well as about 40,000 residential and commercial consumers. Seven retailers now offer choice, of which two retailers, EPCOR and Enmax, are currently marketing to residential consumers.

With more real-life experience and the implementation of choice on the electricity side, government needs to update the rules for natural gas customer choice. The Gas Utilities Statutes Amendment Act provides the enabling legislation that will refine the structure of the retail natural gas marketplace in Alberta to provide greater opportunities for customer choice for those who want it. The changes come under the Gas Utilities Act, the Gas Distribution Act, and the Rural Utilities Act.

The proposed changes are intended to expand retail competition in Alberta beyond the two retailers for residential consumers to provide greater opportunities for customer choice; align the retail gas market more closely with the electricity retail market and permit both commodities to be marketed together; enable firms and other utility companies, called default supply providers, to provide regulated natural gas supply service to consumers. Proposed changes under the Gas Utilities Act will improve the ability of about 900,000 consumers served by major utility companies to buy natural gas from the supplier of their choice. These utilities provide about 85 percent of the natural gas to residential and commercial consumers in the province.

[Mr. Shariff in the chair]

Up until now only natural gas utility companies could provide regulated service. The legislation will provide rules for other companies to provide gas supply service regulated by Alberta Energy and Utilities. The provider of regulated gas supply service will be called a default supply provider whether that service is provided by the utility company, as is currently the case, or by a company authorized to act on its behalf. Authorizing a default supply provider would require the Alberta Energy and Utilities Board's approval.

Consumers would have two ways of obtaining their gas supply: buying it at a regulated rate from a default supply provider, regulated by the EUB based on a flow-through of the actual market price for gas. The other option is to buy natural gas at competitive market prices through a contract from a retailer. Gas consumers who don't do anything will continue to receive their gas through the default supplier at flow-through rates just as they do today and have for many years. Contracts would not be regulated except for rules regarding ethical behaviour and the sharing of information to ensure that no company has an unreasonable competitive advantage. Consumers would receive a single bill for gas services from their retailer covering both gas supply cost and utility delivery cost rather than the two bills they currently receive from the retailer and the utility.

Under the proposed changes gas utilities would be able to separate gas supply and billing from the construction of infrastructure and physical delivery of natural gas. At the same time, natural gas utilities would continue to have the exclusive right to provide regulated natural gas delivery service. We also propose to have the EUB establish rules to standardize the exchange of data between utilities and retailers and set standards to assist the market in dealing with a large number of transactions. I should also mention, Mr. Speaker, that Alberta has some of the toughest rules in Canada for gas retailers.

The Gas Utilities Statutes Amendment Act also changes the Gas Distribution Act, which governs the provision of gas services by 67 rural gas co-operatives serving about 80,000 customers. Rural gas co-ops have played an important role in the development of rural Alberta, and our government will continue to support the rural gas initiative. The Gas Distribution Act currently provides rural gas co-ops with near exclusive rights to provide gas services within their franchised area. The primary change under this act would be the voluntary introduction of customer choice for individual gas co-ops based on an extraordinary resolution by their membership.

The hon. Member for Dunvegan, who led a review of rural gas co-ops in 2001, will outline more about the unique requirements of rural gas co-operatives, the proposed changes under the Gas Utilities Act, and some administrative changes to the Rural Utilities Act.

The proposed legislative changes I have outlined are intended to increase competition in the natural gas marketplace, providing consumers with a greater choice of suppliers to meet their energy needs. These legislative amendments would give consumers better ability to evaluate product offerings through greater convergence between natural gas and electricity retail markets, better ability to choose price stability, if they do so wish, through fixed price contracts, more varied product offerings, improved market efficiency, and more competition on the basis of service. At the same time, consumers who wish to remain on a regulated rate can do so indefinitely. Concurrent amendments to the Electric Utilities Act would align retail electricity and the gas market more closely and permit both commodities to be marketed together under similar rules.

Mr. Speaker, already government efforts to increase competition are paying off. A new company has announced its intent to enter the Alberta market. Other firms have expressed interest in entering the market as well. This will increase the number of retailers selling to residential and commercial consumers. I hope this gives some indication of the widening scope of the natural gas retail market.

Thank you for considering these legislative amendments.

The Acting Speaker: The hon. Member for Edmonton-Gold Bar.

3:10

Mr. MacDonald: Thank you very much, Mr. Speaker. It's with anticipation that I rise to participate in the debate this afternoon on Bill 19, the Gas Utilities Statutes Amendment Act. Again I would like to thank the hon. Member for Innisfail-Sylvan Lake and members of the Department of Energy for their courtesy and patience in answering not only the questions I had but also the questions from our crackerjack research staff.

Now, I have been, like many Albertans, following the price of natural gas. The promise that has been made to all Albertans that increased choice will reduce prices is just that. It's a promise. Certainly, prices could fall, but I think they will have to do with the ebb and flow of the North American gas market, not with the specifics of increased competition and more choice and reduced price. That hasn't worked to date with energy deregulation. That has been the promise that has been made. Two years ago, leading up to the election, that promise was made. "Don't worry. Be happy. Trust us. Energy deregulation will work. We will see more competition, and we will see greater choice, lower prices." Well, this bill, unfortunately, in my view, Mr. Speaker, is not going to provide lower prices.

Certainly, there are two steps to the energy deregulation. Bill 19 is one step. Bill 3 is another. They're related, in the view of this member.

Mr. Speaker, companies are told what they can charge for their gas. Everybody, including this hon. member, admires profit.

There's absolutely nothing the matter with profit. There are absolutely no problems with free enterprise, but where are we going to find the profit here if there is a set price from the EUB on a monthly basis as well? Every month the price can change. Now, where's the profit going to be? It's going to come from the pockets of the consumers.

In the last three years consumers have had to dig deep, really deep in their pockets or from their purses or from their wallets to pay for energy deregulation, whether it's electricity or natural gas. Consumers are quite frustrated. I spoke just before question period today with a gentleman from west of the city, and he was outraged. He had a number of questions for me at that time in regard to natural gas. Where would we be in 10 years, and where will this Gas Utilities Statutes Amendment Act place us in 10 years as consumers in this province? What will be the prices? This gentleman was born and raised in this province and lived all of his life west of the city. He was just newly retired, and he was concerned about the direction we're going in this province with energy deregulation, and it is my view that Bill 19 is just another step. I won't call it a progressive step, but it is certainly a disappointing step down the energy deregulation road.

We've looked at energy deregulation in other jurisdictions. We've done a lot of research on electricity deregulation that has been attempted, and citizens have told their governments that they want no more. They can't afford it anymore, and they want to go back to a low-cost system. I think we should be looking at studying some things with natural gas in this province that are probably not going to be popular with this government.

Now, what we need to do instead of looking at making a promise and a hope – and I'm sure that whenever the hon. Member for Innisfail-Sylvan Lake is speaking on this bill, he's holding his fingers like this, crossing his fingers, hoping that this will work. When we think that Alberta consumers are being faced with and have faced in the past substantial increases in their monthly natural gas bills as a result of higher prices and when we consider, also, that our natural resources, which everyone owns, are sold on the North American market, the government is getting more royalties for these natural resources because the more the natural gas is worth, the larger the amount of revenues that are collected and put in the Alberta treasury.

Now, I don't know if this bill deals with the fundamental issue of skyrocketing resource prices faced by Alberta consumers within the North American market. The current PC government has chosen in the past, during an election year, to provide temporary rebates, and now we have the rebates that are not really rebates. It's just a broken promise. But while hardworking Alberta families get poorer in their pocketbooks from rising natural gas bills, the Alberta government gets richer from resource revenue windfalls. Now, does Bill 19 adjust that? Is Bill 19 a step in the right direction? I cannot say that it is, Mr. Speaker.

When we look at what has happened, perhaps it is time that this Assembly – and I know there have been stakeholder consultations with this bill. This bill could easily be called the convergence bill or the convergence act, to converge the electricity markets and the natural gas markets and who knows what's next. I hope it's not water. That'll be the next thing, water, so that the salespersons can come to the door and not only sell a long-term natural gas contract but a long-term electricity contract and perhaps even a long-term contract for water. I hope we don't go there.

Mr. Smith: Point of order.

Point of Order Relevance

Mr. Smith: *Beauchesne* 459. We're going to hope against hope, Mr. Speaker, that this member will return to the principles of the bill, which is the topic in second reading. So we'll ask him to maintain to the principles, as it's important to this House.

Thank you.

The Acting Speaker: Hon. Member for Edmonton-Gold Bar, do you want to speak on the point of order? The Minister of Energy is rising on a point of order on relevance.

Mr. MacDonald: In response to that point of order, Mr. Speaker, in *Erskine May, Parliamentary Practice*, page 378, "A Member must direct his speech to the question under discussion or to the motion or amendment," but "the precise relevance of an argument may not always be perceptible." Now, I'm certainly discussing the implications of Bill 19 at this time, and I don't see a point of order here, but I would like to continue with my remarks regarding Bill 19.

The Acting Speaker: Hon. Member for Edmonton-Highlands, do you want to speak on the point of order?

Mr. Mason: Mr. Speaker, on the point of order I would just like to ask what the citation was, for my own purposes.

The Acting Speaker: *Beauchesne* 459.

Mr. Mason: *Beauchesne* 459. Thank you, Mr. Speaker.

The Acting Speaker: Hon. Member for Edmonton-Highlands, are you going to speak on the point of order?

Mr. Mason: As soon as I find it, Mr. Speaker. Yes. *Beauchesne* 459 states clearly:

Relevance is not easy to define. In borderline cases the Member should be given the benefit of the doubt, although the Speaker has frequently admonished Members who have strayed in debate.

The words that I heard from the hon. Member for Edmonton-Gold Bar seemed to be indicating that he was talking about markets and commodities, which is precisely what is established in this bill.

So it may not be directly on gas, but I would find it unduly restrictive to force people to limit their remarks strictly to that when they want to establish a point relative to the markets of commodities that were previously in a regulated market.

3:20

The Acting Speaker: Anybody else wish to speak on the point of order?

The Minister of Energy rose on a point of order citing *Beauchesne* 459, which states:

Relevance is not easy to define. In borderline cases the Member should be given the benefit of the doubt, although the Speaker has frequently admonished Members who have strayed in debate.

The hon. Member for Edmonton-Gold Bar had the floor. He was speaking to the bill in second reading, and I believe that he was trying to make a point. I hope that this clarifies that the second stage, at which we are today, is to talk about the principles of the bill.

The chair requests the hon. Member for Edmonton-Gold Bar to continue with his remarks.

Debate Continued

Mr. MacDonald: Thank you very much, Mr. Speaker. Now, with

Bill 19, when we are making amendments to the Gas Utilities Act, the Gas Distribution Act, and the Rural Utilities Act, we have to consider the implications of this in the entire domestic market. I'm sure that in these difficult times the hon. Minister of Energy is doing his level best to work to ensure that commodities such as natural gas and electricity are delivered to all Albertans regardless of whether they're in Nordegg or whether they're in Innisfail-Sylvan Lake or Edmonton or Calgary.

Now, when we discuss this bill and we look at the Navigant report, when we look at other discussion mechanisms that were used to talk about the convergence of the natural gas markets and the electricity markets, we failed to outline the fact that not everyone was consulted duly, like consumers. Many consumers that I talked to in regard to this bill were not aware that on the Department of Energy web site were some of the amendments to the Gas Utilities Act, the Gas Distribution Act, and the Rural Utilities Act and had been there for some time. Not all Albertans, who because of this government's policies are now paying sky-high natural gas bills, were aware that this discussion process to bring on convergence was going on, and when you think that we are making changes to the structure of the natural gas retail marketplace to allow for more competition, then the consumers should have played a bigger part in that consultation process.

Certainly, when you talk to the rural gas co-ops, which the hon. member mentioned before, they have expressed concern about this in the past. When we think of how this legislation will affect the operation of gas co-ops by allowing their members to buy natural gas from other suppliers if choice is approved by two-thirds of the members, well, then, perhaps we should give two-thirds of the residents of the city of Edmonton or the city of Calgary the same choice. Why do we not give them the choice to see if they want to have this supposed choice in the marketplace or this free-for-all? Why does that choice to stay away from that legislation or stay away from that idea apply to the gas co-ops and not apply to the citizens of Edmonton-Gold Bar?

Now, some citizens have approached me in the mall with just that question, and they do not think that they already have that choice. You know, what's their choice? Slam the door on the door-to-door salesman? Is that the choice they have? These are polite people, and they're certainly not going to do that. They're going to hear the sales argument, and I bet that by the time the snow flies next fall, there will be perhaps one or two people approaching them in regard to this matter. But they really don't want to choose between A and B as far as natural gas marketing goes. They want low prices that are guaranteed, and they want low prices that they can rely on if they're a senior on a fixed income or a senior with a pension income that just has a modest adjustment for a cost of living increase. They want to know that the price they're going to pay for natural gas to heat their homes is going to be predictable.

I'm sure we can say: oh, well, the answer is in the long-term contracts which are going to be available through Bill 19. But people don't want to gamble with that. People do not want to gamble with their utility bills. There are enough things to gamble on in this province, as we all know, without having to gamble on your utility bills. People want reliable and affordable utility costs, and they do not want to shop around. They'll certainly shop around for various other consumer products, but consumers just want reliability, and they want it to be affordable, and Bill 19 is not going to provide that. Why, after all the years of having some of the lowest heating costs in North America – and we're blessed with the natural resources, the natural gas, in this province – would we be entertaining this legislative notion that's Bill 19? Mr. Speaker, I don't understand why.

In researching for this bill, I came across a very interesting bit of information in the Legislature Library, and that was the fact that at one point, Mr. Speaker, a time period of 14 years, there was not an increase in natural gas rates in this province for residential use, and that amazed me.

Rev. Abbott: When was that?

Mr. MacDonald: The hon. Member for Drayton Valley-Calmor is asking me when that was. Well, that was in the '60s and in the early '70s.

Rev. Abbott: Well, times have changed a lot since then.

Mr. MacDonald: The hon. member is quite correct. Times have changed; indeed they have. At that time there was a system of domestic price and export price, and now we're all tied together with the North American price.

It's going to be very interesting as debate proceeds in this Assembly, Mr. Speaker, when we allow with Bill 19 for the flow-through price of natural gas, how this is exactly going to work. Are consumers going to become more confused or more frustrated, or are they going to be shopping around for natural gas contracts?

Now, Mr. Speaker, when we look further at this bill and from the hon. member's opening remarks, I would have to assume that the object of Bill 19, well, is twofold. We were talking earlier about the convergence, but it is to align the natural gas retail marketplace with the electricity marketplace so that, again, one retailer can visit and try to sell these electricity and natural gas contracts together. I'm adding this in with water; when will we be back to deal with that issue?

The second point here is that this bill will open up the natural gas marketplace in an attempt to attract more retail competition, and I have to say at this time that it is a further step down the road of energy deregulation.

When we talk about consumer choice, again, or the ability for consumers to purchase natural gas from the provider of their choice, that has been available in the past history of this province to large industrial natural gas consumers since the late 1970s and to small industrial consumers since 1998 and to most – most, I say – residential consumers for the last six years. But currently customers who have chosen not to sign with a retailer pay a spot rate based on the monthly market price of natural gas.

3:30

Now, when we look at the city of Edmonton as an example, most residents pay the monthly ATCO Gas price that is based on the market price, and it is regulated, of course, by the EUB, or the Alberta Energy and Utilities Board, but as I understand it, in my research on Bill 19, it indicates that between residential and commercial customers 40,000 people have chosen to sign a contract with a retailer for natural gas. Currently, signing a contract is one of the only ways for consumers now to receive stable monthly bills. The old days are gone, and certainly the Member for Drayton Valley-Calmor is right. At one time, going back into the '20s, natural gas was considered a mere nuisance by the oil industry, and they had to flare it off, and then the industry got their backs up whenever the government of this province of that day forced them to have some control of the natural gas. [Mr. MacDonald's speaking time expired]

Thank you.

The Acting Speaker: The hon. Member for Edmonton-Strathcona.

Dr. Pannu: Thank you, Mr. Speaker. I rise to speak on Bill 19, Gas Utilities Statutes Amendment Act, 2003. We have just begun second reading on this bill, and I hope that the members on the side opposite and the minister in charge of this area will listen carefully and change his mind and withdraw the bill after he hears some concerns that are genuine concerns expressed by Albertans from all backgrounds and occupations.

This bill will clearly further entrench the wrongheaded deregulation experiment that this government has been proceeding with. This wrongheaded experiment is so called by Albertans because they know from personal experience that it's extremely, extremely costly. It imposes on them unwanted costs, unbearable new costs. It constrains them from continuing to enjoy the delivery of these necessary utilities, electricity and, in this case, natural gas, from sources and providers whose track record is well established. There's a historical track record, a track record which, I think, is referred to with pride by Albertans because it delivered them the goods both in terms of the stability of prices and the low cost of these utilities.

All of that is being destroyed by deregulation. It happened with electricity, and now it's happening with natural gas, and now further steps are taken to change the legislation of this province to allow some new retailers to come in. It's a bill that, unfortunately, is designed to bring into the picture a multinational player, a transnational company. It's driven by industry. It's not driven by consumers under the notion of consumer choice, consumer choice which cannot be about gas. Gas is gas. Don't tell me that consumers will have opportunity to choose between gas A and gas B. There's one kind of gas. There's no choice. What we are going to see here is a choice between unregulated retailers and regulated retailers.

Albertans have not been asked, and it's not a customer/consumer driven bill. Let there be no doubt about that. It's a bill that is, I guess, designed to help this Direct Energy. I had the pleasure of meeting with representatives of Direct Energy, who told me very clearly that their purchase of ATCO retail services is contingent on a bill that they want in place before they will come here. Come here to do what? To not add value to the natural gas utility but to extract profit out of simply retailing that and then, of course, asking for legislative authority that once they get entry into our homes to sell gas, they can sell other services at the same time such as furnace cleaning, I was told. Even furnaces, security services. All of that – all of that – and being done without first ascertaining with Albertans whether they want this kind of choice, this kind of monopoly right to this huge transnational company to be able to do these kinds of transactions with us when we as Albertans know what choice means.

There are lots of retailers in Alberta already. There are lots of heating companies in Alberta. All of those are going to suffer, Mr. Speaker, as a result of the monopoly being grabbed, granted by virtue of this act, to this one favourite of the government, this Direct Energy. I ask the question: why this particular favour to this particular utility player? That's the principle, that's the rationale, and that's the spirit of this bill. I'm talking about its principles and the driving forces behind it, the so-called talk about creating a new market structure. For whom? The answer is clear: for Direct Energy, not for the consumers of Alberta.

Therefore, this bill does not deserve the support of this Legislature, Mr. Speaker. It will obviously lead to amending the existing Gas Utilities Act, the Gas Distribution Act, and the Rural Utilities Act, but the question is: why are these bills being amended and for whom? Whose interests will these amendments serve? That's where I find no promise either in the government's own news release that it'll lead to lower costs nor the promises that Direct Energy made in that meeting that I had the opportunity to have with them. They said

that they cannot guarantee lower prices; all they can guarantee is long-term contracts. How high will the costs be? "We don't know. That's up to the market." Well, will it lead to a total reduction in the size of the bill that we pay? "No, it won't. We will be charging new service charges." There'll be new costs added to what we already have, which are very high costs, and this Legislature has been speaking about those costs ever since we started the session. This bill will exacerbate the problems that Albertans face, problems created by this government's own policy in action and legislation up to this point.

3:40

This bill will simply deepen and broaden the scope of those difficulties for Albertans, and therefore I invite my colleagues to pay very special attention to the concerns that have been expressed by all kinds of observers, many of them disinterested politically at this point. The Consumers' Coalition and its legal adviser, Jim Wachowich, state very clearly that costs will go up as a result of this bill. The government's own briefing papers that were released last week, two weeks ago acknowledge that it will have a negative impact on the cost that we pay as consumers. It will create more confusion, and it will not deliver choice. There is no choice.

It will in fact limit choice in that it will give this Direct Energy company special entry opportunities into our homes so that they can sell the furnaces and the furnace cleaning, and the companies that we have indigenously grown in this province, in this city will be the ones who'll be cast aside, who won't have that kind of opportunity to have direct access to us through their billing, through their retailing activities, and all those retailing activities will cost more. Those costs will have to be recovered. Not only will those costs have to be recovered by the companies of Direct Energy, they will want to make profit on the costs. Otherwise, why invest? Why invest in retailing if you can't make profit? There'll be, of course, profit added to the cost of the gas itself, and then there'll be the service costs, which now will increase, Mr. Speaker.

I just want to, I guess, draw the attention of the House to something that was written in the *Edmonton Journal* today, Mr. Speaker. With your permission I hope I can quote from it. Paula Simons, one of the columnists, argues that simply deregulation wasn't enough to entice new retailers and entice customers to switch to these new retailers. She says,

Consumers saw no reason to leave time-honoured suppliers for the uncertainty of new retailers. And it's not as if anyone can sell you better gas. [Because] gas is gas. And no retailer could sell it below cost.

So the province "levelled the playing field." [How?] The only way it could entice retailers into the game, and the only way it could convince customers to switch, was to lob a grenade into the works. She continues: "Gas prices have shot up because of supply, demand and politics." Those politics continue. This government has been playing politics with the well-being of Albertans when it comes to the availability of utilities and their costs.

If this government were really interested in controlling costs and keeping them stable, it would not have removed the regulatory and legislative requirements that companies that produce gas had to respect, and those were, 10 years ago, that there remain underground enough reserves for the next 25 years for the use of Albertans. When you have that kind of supply and a condition that those reserves must be kept, that keeps costs low, that prevents speculation from taking place. Those requirements were removed, brought down to seven years some five, six years ago, about the time that I got elected to this Legislature for the first time, and even that requirement now has been removed entirely. No wonder speculators are having a field day and consumers in this province are suffering as a result of this.

So it is those politics of the gas market that really must be questioned, that must be subjected to scrutiny in this Legislature if all of us are concerned about the economic well-being of all Albertans, particularly household consumers. We cannot in good conscience fail to ask these very fundamental questions about the real reasons behind the increase in costs and the volatility of costs. This government's own policies are responsible for it. It's about time this government was held accountable for the failure of its policies which have created havoc on the family budgets of millions of Albertans.

Mr. Speaker, I'm running out of time. I think I have stated very clearly where I stand, where the New Democrat opposition stands in relation to what should happen to this bill. It deserves to be rejected after a thoughtful, serious, thorough debate of this bill and the provisions of the bill and a critical scrutiny of the long-term policy of the government that ought to be held responsible for the crisis that we find ourselves in now.

Thank you, Mr. Speaker.

The Acting Speaker: Hon. members, Standing Order 29 kicks in. We have five minutes for questions. Anybody wish to ask a question? The hon. Member for Edmonton-Ellerslie.

Ms Carlson: Thank you, Mr. Speaker. I listened intently to the Member for Edmonton-Strathcona, and I share most of his concerns with this bill and would ask him to share with this Assembly and all Albertans what he finds to be the worst part of this particular piece of legislation.

Dr. Pannu: Mr. Speaker, I will just draw the attention of the House to the government's own background papers on this bill. This bill will increase the costs to consumers. This bill will add costs to the already very high costs of home heating, for heating our water that we need, and for cooking in some cases. It will impose on Albertans the choices they don't want. They never asked for them.

This is the irony, Mr. Speaker. The worst part of this bill is that it's so presumptuous. It shows that the government is so presumptuous. It says that Albertans must take a cold shower. They need to be educated. They need to be exposed to the vicissitudes of the markets. That's the only way they will learn to sign on to these long-term contracts which the retailers will have them sign under conditions which approach, in my view, intimidation and intense propaganda.

Thank you, Mr. Speaker.

Rev. Abbott: Mr. Speaker, a question for the hon. member. I'm just wondering how he can justify talking out of both sides of his mouth when during question period he says that Ontario people benefit from hedging and signing long-term contracts, yet here he's just said that he wants to deny that right to Albertans. So I'm just wondering how he justifies his flip-flopping and his double-talk.

The Acting Speaker: The hon. Member for Edmonton-Strathcona.

Dr. Pannu: Thank you, Mr. Speaker. I don't know where the hon. Member for Drayton Valley-Calmar has been. This member never talked about Ontario people enjoying these services that he's now trying to offer to his own constituents, who will hold him to account on this. I never said that Ontario residents are enjoying the choices that he is now bringing through this bill to Albertans.

Mr. Ouellette: Mr. Speaker, I really wonder where the hon. member gets the information that no Albertans would like this bill or would-

n't like choice, that they're not asking for it. Every time we've ever seen price increases in Alberta, there have been phone calls to numerous MLAs saying that we should have choice. I just don't understand why this hon. member always wants to keep everybody under thumb so they can't have choices in this world.

Thank you.

3:50

Dr. Pannu: A very good question, Mr. Speaker. A very good question. It's the consumers of Alberta and the Consumers' Coalition of Alberta that are entitled to make these statements, not a particular member of this House, be that me or some other member saying that we want this choice. The Consumers' Coalition of Alberta speaks for consumers in general. I said that they are nonpartisan. They really speak to the concerns of Alberta's consumers, and that coalition says that this bill will only increase the hurt that Albertans are already feeling from the current deregulation policies of this government.

The Acting Speaker: Okay. There being no further questions, the chair recognizes the hon. Member for Dunvegan.

Mr. Goudreau: Thank you, Mr. Speaker. I would like to offer the following comments in support of the proposed legislative amendments for natural gas. Our government believes consumers benefit from competition and wants to remove the legislative impediments to choice for all Alberta consumers. There are two groups of Albertans who do not currently access choice: municipally owned gas utilities and rural gas co-ops. Other citizens have some choice, which is different from what the Member for Edmonton-Gold Bar earlier indicated.

Mr. Speaker, 21 smaller municipalities, which currently own their gas utility, have the legislative ability to offer choice to their members. These municipalities have chosen to exempt themselves from offering choice by passing a bylaw to that effect under the Municipal Government Act. The Alberta government is not changing any of these arrangements. It believes the decision to access choice rests with the individual municipality. If the citizens of those communities want customer choice, they need to persuade their town council to reverse the bylaw and extend the choice to its citizens.

The situation of rural gas co-ops is somewhat different. Since 1973 rural gas co-ops have provided clean-burning natural gas to rural Albertans at competitive rates. Their success is a result of the hard work and perseverance by rural Albertans and co-operation between farmers, industry, and government. Under the Gas Distribution Act co-ops have a legislative exemption from offering customer choice because of their unique situation.

First, they range in size from less than a hundred members to just over 4,500 members. Co-ops have significantly smaller customer bases over which to spread their costs compared to, for instance, ATCO's customer base of 840,000 or to AltaGas's customer base with over 55,000. Second, rural gas co-ops buy gas at over 450 locations across the province. One individual gas co-op may have as many as 25 purchase points, while investor-owned utilities have very few wholesale purchase points. It could be very costly for rural gas co-ops to develop and implement a supplement or load-balancing system for so many gas purchase points. Third, many co-ops use different billing systems, and providing choice may require extensive changes to these billing systems or in many cases a totally new billing system. At the same time, during the high gas prices of the winter of 2000-2001 some rural gas co-op members asked their elected representatives why they could not sign fixed price contracts

with other suppliers. So in spite of these obstacles, our government wants to remove any legislative impediments to allow choice for rural gas co-ops.

Last year the Minister of Energy asked me to lead a review of rural gas co-op issues, including customer choice. The Federation of Alberta Gas Co-ops was an important participant in that process. The committee recognized the potential financial hardships imposing choice could have on co-op operations because of their small scale and the cost of changes to administrative systems to implement choice. It recommended removing the legislative impediments for individual co-ops to provide choice to their members, but it felt the decision to offer choice must rest with the individual co-op members.

As a result, these proposed Gas Distribution Act amendments would enable individual rural gas co-ops to allow their members to buy gas from the supplier of their choice if it is approved by a democratic vote of the members of that co-op. This would only occur if two-thirds – and I repeat, Mr. Speaker, two-thirds – of the members of a co-op present at a special general meeting called for that purpose passed an extraordinary resolution calling for customer choice. Quorum requirements for a special meeting have been strengthened from 10 percent of the membership for usual business to 25 percent for a general meeting, at which an extraordinary resolution on customer choice would be voted on. This will ensure that any future decision to implement choice will be based on fair representation of the membership. If the co-op members do not choose customer choice, exclusive rights for gas co-ops would continue under the Gas Distribution Act. The proposed legislative changes include regulation-making powers in the event an individual co-op decides to offer choice. The Federation of Alberta Gas Co-ops and member co-ops would be consulted extensively if any draft regulations are developed.

Changes to the Rural Utilities Act include changes in the following administrative areas. The first change involves balancing a co-op member's right to obtain a copy of the membership list while ensuring protection of personal privacy. The second change involves enabling those with enduring power of attorney to vote on behalf of a rural utility member to ensure these members' interests can be properly represented in decision-making. A third change requires rural water associations to maintain a deposit reserve fund for replacing water systems similar to what is required presently by rural gas co-ops and REAs. More and more water co-ops are being formed to bring freshwater to rural residents and farms, so proper funding must be set aside to defray major costs of system upgrades or replacements.

Mr. Speaker, these changes allow the government to move ahead with customer choice while protecting the unique situation of rural gas co-ops. Thank you.

The Acting Speaker: Hon. members, under Standing Order 29 any questions? The hon. Member for Grande Prairie-Smoky.

Mr. Knight: Thank you, Mr. Speaker. There seems to be a bit of confusion, certainly for me, and I must admit that I'm easily confused. There's a situation here that appears to allude to the fact that deregulation is causing certain changes in the prices of natural gas. First of all, I'd like to know if the hon. member could tell me if 1985 might have been the right year for deregulation of natural gas, and secondly, did that deregulation cause the under \$2 a gigajoule prices we saw in Alberta last summer?

The Acting Speaker: The hon. Member for Dunvegan.

Mr. Goudreau: Thank you very much, Mr. Speaker. Certainly, gas prices are set on a world-scale basis, and whether we have some of these regulations or not, I don't anticipate that they are the causes for gas prices to be as volatile as they are. There are other factors that cause prices to fluctuate up and down.

The Acting Speaker: Hon. Member for Edmonton-Riverview, did you have a question?

Dr. Taft: No, but I'd like to speak to it.

The Acting Speaker: Anybody else have a question?

There being none, the chair recognizes the hon. Member for Edmonton-Riverview.

Dr. Taft: Thank you, Mr. Speaker. I'd like to be perfectly clear. I think this is a badly conceived piece of legislation. I'm reminded of a west African saying that says: many complaints have made the giant lizard death. I propose to you that the giant lizard here is the government. Let's just look at some of the correspondence on this. Has this government learned nothing from electricity deregulation? I'm now looking at correspondence to the department from Direct Energy that says that Direct Energy "supports the Department's vision of aligning the gas retail market more closely with the structure of the retail electricity market." Surely, that should make all members of this Assembly, all citizens of this province shake in their boots. My goodness. How about this correspondence from EPCOR to the department? "EPCOR is very supportive of aligning, to the extent possible, the regulatory and policy frameworks governing retail gas and electricity markets." Have we learned nothing from the destructive and expensive and pointless experiment in electricity deregulation? Apparently not, and we are now about to embark on a duplication experiment with the gas market. The whole notion behind this legislation is misguided, misplaced, and mistaken.

4:00

I've heard in comments from government members and government backbenchers on this bill that it will bring in more competition, and I don't doubt that that's to some extent, at least, the purpose of this legislation. I will say this over and over and over in this Assembly for probably as long as I'm here: competition works sometimes; competition fails other times. The evidence and the theory on that are absolutely clear. There are limits to competition.

Anybody here who has studied economics will know that markets sometimes fail. Sometimes competition is a bad idea. Electricity deregulation has shown that, and there are many other examples, and I'd be happy to tell you about other examples by way of illustration. We could go, for example, to the issue that's been in the news again in the last couple of days about antibiotics. Now, this does relate, in case the Minister of Energy wants to pop up on a point of order, to the debate here. Antibiotics. What if we just had a complete free market on antibiotics? Well, what would happen? We would see antibiotics used even more indiscriminately than they are now, and the externalities of that, the costs of that would be enormous. [interjections] I'm glad I'm getting so many responses from the government members.

We are finding in antibiotics, Mr. Speaker, that competition is causing enormous problems. It's causing all kinds of complications, all kinds of negative externalities. Unlimited competition in that field would be a disaster. Even the limited competition we've had is seriously problematic.

We could look at other examples, Mr. Speaker. We could talk

about health care. Now, I have debated health care economics in here many times. I've written on health care economics. The evidence on health care economics is clear: competition does not work very well in the health care sector. In fact, a society is better to organize its health care delivery as a public service than as a competitive commodity, and the evidence for that and the theory supporting it are simply overwhelming.

We could, of course, go beyond this. We could go on to issues of justice. For example, we would all, I hope, be offended if justice was turned over to the marketplace so that it was up for sale to the highest bidder. That can be done. It has been done in history. It's done even today in some parts of the world, where you can actually buy and sell judgments. We would see that as morally wrong. There's a limit to the marketplace there; right? Of course there is, and there are limits to the market forces for natural gas as well, Mr. Speaker.

The fundamental premise of this legislation is mistaken. Competition is not going to bring the price down. It is not going to have the effects that this government so badly wants. What it is going to lead to is market failure, a well-recognized experience, a well-recognized condition, where a market does not work effectively to deliver a product at a low price to the consumers. Market failure is what we are seeing in electricity deregulation, and we are going to see that in this case, as well, with natural gas, especially – and it's just stunning – when we see companies like Direct Energy advocating for us to align the natural gas market with the electricity market. I think we're going to have to work very hard to ensure that the public is generally and broadly aware of that information, because we know how the public feels about electricity deregulation: they are unhappy.

There have also been many comments in this Legislature about how people want choice, how people are desperate for choice on natural gas. I can tell you that I've never had one call in my constituency office asking for choice, and I can tell you also, Mr. Speaker, that there have been extensive surveys done about how badly or how little consumers want choice over natural gas. You know what? Almost no consumers want choice between natural gas suppliers. What they want is cheap, reliable, service. One of the reasons for that, frankly, is that there's very little room to add value to this particular product.

We can look at lots of other products. We can look at restaurants and food services, where the market does work well for competition, is effective, and where consumers have wonderful choice, businesses flourish. It's a great idea. It's exactly the kind of place where we want a market to function. Well, of course, there are endless ways to add value to food, endless ways to improve it, to change the flavours, to change the style, the quantity, make it cheaper, all kinds of opportunities to tailor-make food to the marketplace.

What about natural gas? Well, let's see. Are we maybe going to have a choice where people might buy peppermint-scented gas or ketchup-scented gas or maybe in some parts of the province garlic-flavoured gas? I don't know. Or how about different colours of gas? You know, is somebody going to pay more so they can have rose-coloured gas or yellow gas? No. There's no point in that. Gas is gas is gas is gas. There's no way that consumers could care less as long as the gas they're provided with meets basic quality standards. That's all they want, and that does raise a point for me which maybe at some point in the debate the Minister of Energy will be able to address: are there quality standards laid out in legislation so that all gas in this province meets basic standards of quality? That's a question I'll look for careful attention from the Minister of Energy on.

Beyond meeting the basic standards of quality, people simply want a supply of gas as a cheap and reliable source at a predictable price.

And because there's very little chance for added value to gas, what's a marketer to do? What are they going to say? We have what? We add what value to your product? All they can do is create an image, a corporate image that somehow the gas from one company is more appealing than the gas from a different company. That's going to require huge investments, Mr. Speaker, in branding and in image management, investments that are of absolutely no practical value to either the product or the consumer. All it's going to do is drive up the costs. So we are going to see the base level of gas get more expensive.

Ordinary Albertans are not going to benefit from this legislation. I can tell you that there are not, as far as I know, any citizens of this province who want to have more people marketing life's necessities to them. I haven't had anybody say: gee, I wish I had more telemarketers phoning me, trying to sell me products. I've not heard that from any Albertans. I haven't heard any Albertans say: gee, I wish my doorbell rang more often at suppertime so that I can welcome more marketers into my home to tell me about what they're selling, or I wish I had more junk mail so that I could sort through it and choose who my gas marketer is. Albertans don't want that, Mr. Speaker, but that's what they're going to get. That's what they're already getting in spades in legislation.

Mrs. McClellan: Isn't he a socialist?

Dr. Taft: The Deputy Premier is raising issues of socialism. I would dispute that fundamentally. What we have here is a government that is ideologically committed to the marketplace no matter what. Whether it works or doesn't, they are going to stick to it. A socialist would be somebody who is irrevocably opposed to the marketplace. My policy is: use the marketplace when it works, and don't use it when it doesn't. That's exactly what this government ought to be doing. A marketplace is not an idol to be worshiped. A marketplace is a tool to be used. Economic policy is a tool to be used. It's not a means to an end in itself, Mr. Speaker, but what we have in this legislation is a celebration of the marketplace for its own good, even though it's going to cost people more, even though it's going to lead, quite possibly, to a wilder fluctuation in prices, even though it's going to lead to all kinds of anguish for consumers. We're going to go ahead anyway just because we happen to worship the idol of the marketplace.

4:10

Use market forces when they are shown to work; do not use them when they are not. That was a lesson, Mr. Speaker, that our fathers and grandfathers and mothers and grandmothers learned the hard way, and that's how we got into things like regulated electricity and regulated gas in the first place. The original markets for those kinds of services were wide open free-for-alls, and they didn't work. That's how we got into regulation in the first place. We should not have forgotten those lessons of our ancestors. The great wisdom of our ancestors has gone out the door with this government.

What we are asking here is for small consumers to take on an unreasonable burden. Small consumers don't want it. I am happy and it's perfectly good for large industrial consumers to be able to play on the unregulated gas market because they employ full-time staff at very considerable expense to do nothing but monitor the gas market. How many people are aware here what the most volatile commodity in history has been until the last couple of years? Natural gas. If you wanted to trade one product on the exchange, the most volatile one was natural gas. Do you know what it is now, Mr. Speaker? It's now electricity. The price swings in those two products are far more extreme, far more volatile than any other

product that you can trade in, and we are exposing through this government's policies the ordinary Albertan to the most volatile products on the exchange market without any purpose. The only people who can keep track of these things and can manage effectively to these kinds of market forces are major corporations, who employ full-time, expert staff to do nothing but monitor the volatility of those products.

So we are simply putting consumers at the mercy of the market. They don't want that. They're going to pay more. They're going to be inconvenienced. The only group that's going to benefit from this, potentially, is companies like the ones we're seeing in this correspondence: Direct Energy and EPCOR and other related companies. Let's face it. This government exists to service those companies. At least, that's the image they certainly are portraying these days.

So, Mr. Speaker, you can tell from my comments today that I am strongly opposed to the entire direction of this legislation. It's misguided. It's going to serve the interests of Albertans poorly.

Thank you.

The Acting Speaker: Standing Order 29 kicks in. The hon. Member for Spruce Grove-Sturgeon-St. Albert.

Mr. Horner: Thank you, Mr. Speaker. I was very interested in the member's statements during his discussion there of competition and his example of antibiotics and the fact that if you had increased competition with antibiotics, you'd have a flood of antibiotics into the market, that people would be taking them like candy, I think, is kind of what he insinuated, yet they are prescribed by qualified medical professionals. I'm wondering if he's insinuating that our medical professionals are simply gouging the patients for a money motive. I guess I would say that if he fails to answer my question, I'll take that as a yes.

Dr. Taft: I'll be thrilled to answer his question at the appropriate time, which is during committee. Thank you.

The Acting Speaker: The hon. Member for Grande Prairie-Smoky.

Mr. Knight: Thank you, Mr. Speaker. There were comments made with respect to the volatility of certain commodities, and I would like to know if pork bellies are maybe more volatile than natural gas, and I want to make a point: I said "pork bellies," not the Liberal "pork barrels" which, on the other hand, are pretty much constant.

There was some suggestion about gas is gas is gas, and I would like to ask a question. To this point in Alberta has the member had a choice of gas with a furnace maintenance system, gas with an air conditioning system, gas with a hot water heater, gas with a total utility package, or perhaps gas with a thermal generator?

Dr. Taft: I'll be thrilled to respond during the appropriate time, which is committee. Thank you.

Mr. Renner: Point of order.

The Acting Speaker: The hon. Member for Drayton Valley-Calmar.

Mr. Renner: I just have a point of order, Mr. Speaker.

The Acting Speaker: This is the five minutes allocated for question and answer.

Mr. Renner: Yes.

The Acting Speaker: Yes. Okay.

Point of Order Questioning a Member

Mr. Renner: Mr. Speaker, my citation is, in fact, Standing Order 29, and the member has indicated that he will be more than happy to answer questions at the appropriate time, but I would just like to point out to the member that Standing Order 29 reads:

A period not exceeding 5 minutes shall be made available, if required, to allow members to ask questions and comment briefly on matters relevant to the speech and to allow responses to each member's questions and comments.

So I would just point out to the member that the appropriate time is, in fact, now.

The Acting Speaker: The hon. Member for Edmonton-Ellerslie on the point of order.

Ms Carlson: Yes, Mr. Speaker. In fact, this provision was put in the last House leaders' agreement over some concerns from many contributing members in this Assembly because it is the belief of many people in this Assembly that given the long-standing tradition of parliamentary processes throughout Commonwealth countries on this globe, there traditionally hasn't been a question-and-answer period. There is one in Ottawa. They have tried it there; it's worked very well. Of course, they have a much greater participation in speeches and debates by private members who represent the government side. It would be appropriate for us to have questions and answers at all times if that was also the tradition in this Assembly, but it is not. The tradition in this Assembly has been to have the give-and-take of debate during committee. That is the procedure that this hon. member wishes to adhere to, and it is well within his rights to do so.

The Acting Speaker: On the point of order, the hon. Member for Drayton Valley-Calmar.

Rev. Abbott: Thank you, Mr. Speaker. I'm just wondering why the hon. Member for Edmonton-Ellerslie is arguing against Standing Order 29(2) when I specifically remember her saying how happy she was to be asked a question. In fact, she said that she waited nine years to be asked a question. I remember. I think it was me who asked her the very first question, and then if I remember right, she dodged the question. So I'm just wondering why she's against it now.

The Acting Speaker: The hon. Member for Edmonton-Highlands.

Mr. Mason: Well, thank you very much, Mr. Speaker. I'm pleased to rise to speak to this point of order, and I refer to 29(2) of the Standing Orders which says that following each speech,

a period not exceeding 5 minutes shall be made available, if required, to allow members to ask questions and comment briefly on matters relevant to the speech and to allow responses to each member's questions and comments.

Now, Mr. Speaker, I particularly do like this provision, although I certainly argued at the time that it should be in addition to the 20 minutes' speaking time, not taken from it, and argued that it was basically a way of reducing speaking time for members. However, it is a valuable tool, in my view, and actually I quite enjoy the give-and-take that it brings. However, there is nothing in 29(2) which requires a member to respond if he or she chooses not to.

In a similar way, in the formal question period there is no requirement for the government to actually answer the questions.

Mr. Speaker, it is called “question period” and it is not called “answer period,” as we on this side well know. We have stood in our place and asked very sincere questions of the government, only to be told that they are monitoring the situation, or in some way they slip into a message box that has no bearing whatsoever on the question actually asked. This is very common and frequent. However, it is quite within the rules, and I think *Beauchesne’s* are quite clear. I don’t know the exact citation, but the government is not obligated to answer the questions, and frequently they do not. So I would argue in reference to the point of order made by the Member for Medicine Hat that, in fact, the Member for Edmonton-Riverview is well within his rights to not answer the question, and it is not a point of order.

4:20

The Acting Speaker: Anybody else on the point of order?

The hon. Member for Medicine Hat rose on a point of order citing Standing Order 29 and making specific reference to sub (2). Hon. members, this is five minutes that’s allocated for question and answer or response. There is no compulsion to ask a question; there is no compulsion to respond to the question.

So there is no point of order, but this is certainly a point of clarification.

Debate Continued

The Acting Speaker: Do we have any more minutes left? Okay.

Does anybody else have any questions? The hon. Member for Drayton Valley-Calmar.

Rev. Abbott: Thank you, Mr. Speaker. Yeah, the question I was going to ask is – in his speech the hon. Member for Edmonton-Riverview said that all natural gas is the same, and I’m just wondering what he bases that information on, because in fact there are different qualities of natural gas. There are certainly different grades of natural gas. It’s very similar to gasoline, where you can get, you know, your unleaded and your premium and your mid-grade, et cetera. I’m just wondering why he talks about something that he obviously knows very little about?

Dr. Taft: I’ll respond during committee if the member is there. Thank you.

The Acting Speaker: The hon. Member for Calgary-Bow.

Ms DeLong: Yes. I’m a little concerned about how low the opposition seems to hold our constituents in terms of their capabilities, in terms of their ability to operate in the market. Our constituents are used to getting mortgages themselves. I mean, there is no difference between money, you know. Money is just money. They borrow money, and they’re capable of understanding, you know, different mortgages – closed mortgages, open mortgages – different ways of acquiring money. Our constituents are perfectly capable of that. Why is it that, suddenly, when it comes to gas, they’re no longer capable . . .

The Acting Speaker: Hon. member, this is an opportunity to ask a question and make comments, not to make a statement. Do you have a question?

Ms DeLong: Okay. Well, I’m just thinking, you know: what does the hon. member think our constituents are capable of?

Dr. Taft: Well, now, that would be interesting to discuss in committee, and I’ll look forward to that. Thank you.

The Acting Speaker: Hon. Member for Edmonton-Ellerslie, are you ready to ask a question?

Ms Carlson: On debate. Not for a question.

The Acting Speaker: There being no further questions, the chair recognizes the hon. Member for Edmonton-Ellerslie.

Ms Carlson: Thank you, Mr. Speaker. Well, it’s been an entertaining afternoon so far and certainly interesting to see the amount of comments off the record that have been provoked by various members speaking this afternoon. It’s interesting that the Member for Spruce Grove-Sturgeon-St. Albert would talk about those that were not responded to, but in fact what we had in far greater volume this afternoon were side comments from him and several other members, in fact many members of this Assembly who chose to do that rather than follow the processes outlined in this Legislature and actually enter into debate. It was nice to see, though, that one private member who supports the government’s side, the Member for Dunvegan, actually did rise in debate this afternoon to support his colleague who brought this . . . [interjection] I hear more chirping from the Member for St. Albert. Perhaps you’d like to put your comments on the record. If not, stay quiet.

The Member for Dunvegan had some interesting comments to say, and we can only hope that more people who support this particular bill would rise in debate and explain their reasons for its support, as well, because it’s good for Albertans to hear and to know what it is that those members, private members who support the government’s side, in the government front bench, think about when they’re coming to the conclusions of why they would bring some legislation into the Assembly. This is a good example of a piece of legislation that people do need to know about in this province and fully understand why the government has brought it in in the manner that they have and also want to know what their expectations are of this legislation and the timing of how it’s been brought in.

Energy deregulation as a whole has been a hot topic in this Legislature for many years, five to seven years, I believe, if my memory serves me correctly. When this government first started floating this idea as a trial balloon in terms of following their ideology, which of course is that the free market prevails, which we have heard some comments on this afternoon and lots of sidebar comments on – it is my observation, Mr. Speaker, from having spent now nearly 10 years in this Assembly, that this government does bow to the altar of free market whenever they can. Whenever there doesn’t seem to be another easy solution for them to get where they need to be, this is where they go.

We’ve heard the arguments in various areas from an ideological perspective about why it’s a good idea to go down this particular road. We’ve also heard many arguments, good strong arguments, I believe, ones that are supportable, why the free market isn’t always a good thing. The reasons why it can be a real problem in this particular instance, I believe, are large in number, not the least of which is that there are just simply by fact some things that governments can provide cheaper. We’ve seen some good examples in this province where privatization and free markets haven’t worked very well, and I point people simply to road clearing and maintenance and construction as the kinds of issues that we’ve seen. [interjections] Well, in fact, we heard more chirping again. This time, once again from across the floor, from the Minister of Environment saying that it works very well.

Dr. Taylor: That was the first time, Deb.

Ms Carlson: Not this afternoon. Perhaps during this particular debate.

He thinks that that's worked very well, but there have been a large number of concerns and complaints raised in this Assembly about those kinds of issues.

[The Speaker in the chair]

There is the fundamental principle of whether or not companies who build in a profit factor and who are motivated by profits can in fact provide the kind of service that is best for the people of this province or of the country, and there are many arguments having been made to say that that is not always true. Are they really low-cost providers? The answer, generally speaking, is no, because they will charge what the market can bear, and they always include a profit factor into their operational costs. So they are not low-cost providers necessarily. Can they even provide it at the lowest possible cost? Often not, once again, because by the time they factor in their costs of capital and their profit factor, they're often much higher than what governments can by nature provide.

Second is the issue of how complicated the matter is that you are trying to float in the free market. We saw a question come to the Member for Dunvegan from, I believe, the Member for Grande Prairie-Wapiti about whether or not deregulation causes changes in natural gas prices or whether there were other factors. That speaks to whether or not people can understand the issue. Here's a man who has spent a career working in this field who puts that question on the floor of the Assembly. The answer is: not always. The answer is that there's uncertainty built into the marketplace and that a lot of the prices are fixed by world prices. Well, how is the average consumer expected to be able to figure that out and to have the time to follow that in terms of finding who a low-cost provider can be? That question was followed up by the Member for Calgary-Bow, who was concerned that one of our colleagues had what she assumed was some kind of low esteem for her constituents, and I would like to assure her that that would never be the case. In fact, what we have is a very complicated issue that people have to try and unravel, and some people have more or less ability in that area. I speak particularly to people who I have seen come into my constituency office since we have seen these high energy costs in general, being both gas and electricity, and they are very concerned, and they don't understand the volatility in the markets. They don't understand how to figure out who they can trust in this direct marketing approach and who they can't. This is not a new issue, and people in this Assembly must have heard about this from their constituents.

4:30

If we recall a couple of years ago when there was a different direct marketer who moved into the province and was going door-to-door selling packages to people, convincing them that they were a low-cost provider, many people got taken to the cleaners on that, Mr. Speaker. I remember particularly a senior constituent who came into my office. She's a widow, and she once in a while will come in to talk about topical issues and have a cup of coffee and talk about what's happening out there and ask if there's anything that she should know about. At that time, when she came into the office, I warned her that these direct marketers were going around the community and that it wouldn't be in her best interests to sign up for any of these long-term contracts, and I went through all the reasons why in terms of the credibility and potential sustainability of the company and the price that she may be tied into, the length of time that she could be tied into the price, the other options she had available to her.

She listened intently and agreed with everything I said and came in two weeks later, and what had she done but signed up with one of these hustlers at the door. Why? Because that person on a one-on-one basis had convinced her that she was going to be getting a good deal. Well, it wasn't a good deal, Mr. Speaker. She really didn't have enough information to make the comparisons or enough information to be able to withstand the pressure sales tactics that we saw in this particular instance. That's not what we want to provide to our constituents. It isn't that she isn't smart. She's very clever. She's a very smart person. She makes very sound decisions, but she needs to have available to her all the information.

In this kind of a change, when even the government, who has known about this issue, and we've had numerous debates and all kinds of questions – they still can't get it right, Mr. Speaker. They have not only the members in this Assembly but a huge staff working behind them and access to untold resources, and we're still seeing a huge mess in this province. So if the government can't get it right, how do they expect consumers, who have many other decisions to make on a daily basis, to be able to do that? There were no insinuations on the abilities of constituents in my colleague's comments. It was rather a reflection of them having to deal with very complicated issues and a hugely uncertain market, which is what deregulation and the kind of legislation we see coming in has created – a very uncertain market – and that, I believe, is what's driving costs up to a great extent, and we're going to see increased volatility in the marketplace on this.

For the past three or four months while the weather has been really cold, I have seen a steady stream of people coming to my constituency office absolutely stunned at the kinds of bills that they are getting, most recently on gas. They're saying that the prices are too high for them to be able to maintain their houses, and they don't understand how this government promised that deregulation would cause the prices to fall rather than increase, that it would give them more options in the marketplace that would be cheaper, not higher. Well, I see that the Minister of Finance is clapping at that, and it would be something worth applauding if in fact it were true, but what have we seen so far? We have seen huge uncertainty in the marketplace. We have seen prices skyrocketing and peaking. We have seen lots of organizations, companies, and this government making all kinds of promises that so far they haven't been able to deliver on.

What we have not seen is what people are asking the questions about. How come, when we are actually sitting on the resource in this province, we are paying higher prices than other provinces? Now, I know the government will make all the arguments that it's much higher in Toronto than it is here, but that isn't, in fact, true if you take out the transportation costs. We're paying on average a higher price this winter for gas in this province, and people don't understand it. They're having a really hard time pulling apart the issues of electricity and gas. To them they're combined. They're energy costs, and they're too high. They don't understand, when we're sitting on the resources here in this province and when it has been a prior practice of this province to have a deferential pricing scheme for those who live in the province, that we are now paying these astronomical prices. They don't understand why the government hasn't stepped in in any direct way to help counteract those prices.

How could they have done that? Well, of course, we could've seen, and we would've seen had this also been an election year moneys coming back to the people either as direct credits on their bills or as rebate cheques. We could see this government do what some other provinces and, in fact, every single state in the United States has done, and that's bring in some kind or some kinds of

programs for home retrofits. It's very interesting to note that we often hear, Mr. Speaker, in this particular Assembly Texas held up as an icon of conservatism and . . .

Mr. MacDonald: Texas?

Ms Carlson: Yes, Texas. The kind of state that this government likes to follow in the footsteps of and stands up for a lot of things that this government admires. [interjection] Yes, that's exactly right.

There is one situation where I wish that this government would follow in the steps of Texas, and that's in retrofit programs. They have an astonishing number of programs, which we will discuss in some detail once this bill gets to committee, Mr. Speaker.

Another state that we'll talk about is good old redneck Florida. Jeb Bush. Now, isn't that a person . . .

Mr. MacDonald: He's running for president, 2008.

Ms Carlson: Well, he may be. That part I don't know about.

But I do know that this is a state where they have many layers of retrofit programs to help the people in their state ensure that their homes become more energy efficient and cut down on the energy costs. Now, this is a state that certainly doesn't experience the kind of weather fluctuations we have and certainly doesn't experience the cold, but in a very aggressively progressive manner they have brought in retrofit programs. [Ms Carlson's speaking time expired]

The Speaker: The hon. member for Grande Prairie-Smoky on the question section.

Mr. Knight: Yes. Thank you, Mr. Speaker. The hon. member had indicated that some things like natural gas and power are less expensive when governments provide them. My question is: considering only the cost of the debt, does the member suggest that this government should expropriate all the private infrastructure in the province for these utilities and assume this role?

Ms Carlson: Of course not. That's a ridiculous question.

The Speaker: The hon. Member for Vermilion-Lloydminster on the question and answer section.

Mr. Snelgrove: Yes. The hon. member mentioned that some things privatized didn't work out, like the maintenance of Alberta highways, and I'm wondering: could she elaborate a little bit? If the grass-cutting is cheaper and the snowplowing is cheaper and the crack-filling is cheaper and the guardrails are cheaper and we have no capital expense and no pensions and it's still only \$250 million a year, what part of that isn't cheaper?

Ms Carlson: Mr. Speaker, that would be the long-term replacement costs.

The Speaker: The hon. Member for Edmonton-Highlands on the question and answer section.

Mr. Mason: Yes, please, Mr. Speaker.

The Speaker: Please proceed.

Mr. Mason: I would like the hon. member for Edmonton-Ellerslie to perhaps elaborate a little bit on how the policies in Texas are more enlightened than the policies in Alberta.

The Speaker: The hon. member.

4:40

Ms Carlson: Yes, Mr. Speaker. I know that that comes as a surprise to some members in this Assembly, but in fact for not just a couple of years but for several years Texas has had retrofit programs in place to help make their communities more energy efficient, and a number of those programs are completely sponsored by state funding. It's interesting that in a state which has a very low tax rate and a very conservative kind of outlook, they could provide that kind of a service, when this province for past five years has been saying that they're not prepared to do it.

Now, we do hear these days that they have deferred this decision to Climate Change Central, and, Mr. Speaker, we will wait and wait and wait and wait and wait to see what the outcome of that deferral of a decision will be. Hopefully what we will hear happen is that this province, too, will step into the 21st century and take a look at helping every Albertan become more energy efficient, not just government buildings, which have been a good step that this government has made, but they need to move into a field where we can see other buildings funded by provincial infrastructure funds, like hospitals and schools, also become energy efficient so that they can cut down on their maintenance costs so that the maintenance dollars can go to other necessary functions such as fixing roofs and painting doorways and fixing rugs. I know there are a number of schools in my constituency that you can walk in, and as soon as the spring melt starts, they're going to have five-gallon buckets in their hallways collecting the rain.

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

Mr. Horner: Thank you, Mr. Speaker. I just wanted to comment. The Member for Edmonton-Ellerslie made a comment that I wasn't participating in the debate, and I wanted to let her know that I have absolutely no problem at all putting my support for this bill on the record. My constituents dealt with commodities for many, many years in the agricultural sector – those go up and down – and I'm simply making those comments. I also wanted to thank the Member for Edmonton-Ellerslie for answering the questions which had been put to the Member for Edmonton-Riverview. I thought that was nice of her to do that for us.

Thank you.

The Speaker: The hon. Member for Edmonton-Gold Bar on the question and answer section.

Mr. MacDonald: Yes, certainly, Mr. Speaker. For the hon. Member for Edmonton-Ellerslie: in discussions on Bill 19 how many of your constituents have expressed an interest in having a choice of shopping for a natural gas contract? Or would they prefer an affordable and accessible service?

Ms Carlson: Mr. Speaker, so far since Christmas I have heard from, by e-mail or by them walking into the constituency or by letters that we have received, just over 200 people from the constituency. I have yet to hear from someone who expresses the ability to have some choice as being their primary concern. From less than 10 of the people we've heard, they feel that they're at their wit's end, and they would like a choice for many things, not all of them being electricity, lots of them being a different choice in government, but so far none on choice in gas or electricity.

The Speaker: The hon. Member for Edmonton-Highlands on the debate.

Mr. Mason: Thank you very much, Mr. Speaker. I'm pleased to rise to speak to Bill 19, the Gas Utilities Statutes Amendment Act, 2003. I think we might rather call this the Direct Energy bill in reference to the British company, formerly British Gas, that has already begun advertising in Alberta.

It's just a theory, Mr. Speaker, but one I want to put on the record, and that is that the government, having got into a great deal of trouble with its electricity deregulation, is desperate for somebody to come in and provide at least some measure of competitive electricity retailing in the province. The government, having taken away regulatory protection for consumers, promised competition as a means of providing some mitigating force on the prices that consumers have to pay, but that has failed. So having taken away the regulatory protection, the government has failed to this point to provide competition in its stead. Enter Direct Energy from Britain, who likes to provide bundled services: electricity, gas, and so on.

Now, part of the problem that has existed for part of the time that deregulation has been in existence in Alberta is that ATCO Gas up until this point has provided the distribution network for all or most of Alberta and was basically purchasing gas and putting it through essentially at its cost, providing fairly inexpensive electricity except when the prices began to spike, and I'll deal with that separately. That made it almost impossible for people to compete in the market, Mr. Speaker, because they couldn't beat the cheap cost. The only way they could beat the cost is if they were wise enough to buy on a long-term contract when prices were low because ATCO has had the policy of basically not hedging its gas, so we have been subject here in Alberta to dramatic price spikes as the price of natural gas in the American market rose. So even though we're paying dramatically changing prices for our own natural gas and very high prices for natural gas at times, it made it very difficult for anyone to compete in that market.

So in order to get Direct Energy into the Alberta market so that it could compete on the electricity side, the government had to provide changes to the framework for natural gas so that they could come in and compete against Alberta companies already operating in this province. In order to do that, you have to keep people from selling gas who own the distribution network, because they can make their money on the distribution network and offer the gas basically at cost, which doesn't allow an increase or a markup for the gas. Hence, nobody will try to sell the gas. So deregulation for gas to this point has not worked, and as a result of it not working, we've had relatively low prices except, as I've said, during the price spikes that occur all too frequently during the winter.

So we have to mark the gas up, and to do that, you have to make sure that distributors and retailers are separate, and that means anybody going into the retail market has to make a profit. It means that we're building in higher prices again to natural gas by trying to make deregulation work, and what we're doing is we're adding a middleman, and we're creating room for the middleman in this act to mark up the prices even more than we're already paying. So Albertans who have been shocked by the high prices that they're paying on their gas bills during the winter months in this province are going to be paying an incremental increase on top of that the year-round in order to get Direct Energy into Alberta and provide some attempt at competition in the electricity market.

So we're getting competition and higher prices too. That seems to be the watchword of this government: you get competition and higher prices too. You don't get competition and lower prices because, in fact, the regulated monopoly system that has existed for

electricity and for natural gas in this province has traditionally provided us with the lowest possible price and fairly reasonable service too, I might add. So it has to go by the boards in order that companies like Direct Energy can make money by selling Albertans their own gas.

Now, it's interesting if you look, Mr. Speaker, at why we're getting such high prices for gas in the winter, and I do want to touch on this a little bit. The government a number of years ago approved a proposal of a number of gas producers to build a great big pipeline to pump the gas into the American market. [interjection] What they've essentially done as a result – and I see that the Minister of Finance is taking responsibility for that decision, and that's good – is they are now pumping out the gas from this province faster than they're finding it, far faster than they're finding it, in fact to the point where we now have less than nine years of proven reserves in this province. That means that the gas will soon be gone or it will be at levels of production much lower than today. So the result is that the petrochemical industry that's built up – and I'm speaking specifically of Celanese, which is just adjacent to the constituency of Edmonton-Highlands – will no longer have the feedstocks that it once had, and that means that we are eventually going to lose a considerable industrial base from this province as a result of this shortsighted policy of the government.

4:50

Not satisfied with pumping out the gas way faster than it is being discovered, the government also changed rules that existed under the Lougheed administration which required that chemicals, liquids, and so on that are useful for the petrochemical industry would be extracted and only pure ethane be exported out of the province, and that meant that there could be a petrochemical industry here in Alberta. But the government has now allowed that also to be exported, so the whole gas product is now being exported, not just the ethane. It means that we are exporting jobs. This government's policy, Mr. Speaker, is clearly resulting in a net loss of jobs from this province and the export of Alberta jobs built on Alberta gas to places like Chicago and other places in the United States.

Now, the government is, as a result, desperate to try and get the natural gas pipeline from Alaska to come through Alberta so that they can restore some sort of source of natural gas as the gas comes through, and the Minister of Energy has had the audacity to suggest that Alberta should have the right to take these very same chemicals out of that gas as it passes through Alberta so that we can use them for our petrochemical industry here, having allowed the export of these chemicals from our own natural gas. It's breathtaking in its audacity, Mr. Speaker.

We need to consider what some people are saying about the government's policy with respect to natural gas. The Consumers' Coalition of Alberta submits: customers have not been or are not likely to be the principal driver of the proposed changes; rather, we see the industry driving the need to make these proposed changes so as to allow participants in the industry operating as commercial ventures to add costs to the system at the expense of the customer. So it's not just the Member for Edmonton-Highlands or the New Democrat opposition or the opposition that's saying this; it's people who study this and act on behalf of consumers. They're basically saying that in order to cater to the gas industry in this province, they are going to be adding costs to the system, which will be paid for by consumers.

Now, there's Paula Simon's article on March 11, "Gas prices have shot up because of supply, demand and politics," which I thought was very astute. [interjection] Well, hon. Minister of Learning, it's certainly more credible than this government. She says:

Consumers saw no reason to leave [behind] time-honoured suppliers for the uncertainty of new retailers. And it's not as if anyone can sell you better gas. Gas is gas. And no retailer could sell it below cost.

So the province "levelled the playing field." The only way it could entice retailers into the game, and the only way it could convince customers to switch, was to lob a grenade into the works.

Now, Mr. Speaker, the billing costs are likely to go up because the government is restructuring the industry to replace a vertical integration with a horizontal integration, and that is to say that companies like Direct Energy will bundle electricity, gas, credit cards, and other services, but there's no added value for consumers in this. You can get all these fancy little contracts. You know, you do it for three years and you get your gas for this much and so on, but basically the cost structure has been burdened with additional players. There are more middlemen, and the result is that whatever the contracts are, they're going to be somewhat higher than they are today. As the Consumers' Coalition says again: there is no cost saving or increased efficiency by having more players involved; instead, the more players involved, the more returns on investment must be met.

I think the other question is the increased confusion, and I know that the hon. Member for Calgary-Bow believes that this is no different or no more difficult than settling on a mortgage. I don't know about the hon. Member for Calgary-Bow, but when our family got involved in making a mortgage, we did an extensive amount of work and checking and comparing and calculating. We sought advice, and we basically undertook it as a major decision. The term was important and so on.

The question is why we should be paying more for gas, because we are, in order to have the choice of which package to pay more for gas. We're going to select because that's precisely the situation we're in. Life is getting far more complicated, and things which were simple before, like telephones or electricity or gas, are now becoming subject to all kinds of complexities where there's more opportunity for people to be taken to the cleaners all in order to implement this government's right-wing ideology, not just this government but across North America, that you have to have competition in every area. So it becomes more complex. Some people are able to manoeuvre in that complexity better than others. That suits the philosophy of the government very well because they believe in winners and losers anyway. But all of it needs to be taken in the context that all of this competition adds cost to the price structure, and the base price for the commodity, whether it's natural gas or electricity, is higher than it would be if we had a simple regulated monopoly where consumers were properly represented in the system. But this government, Mr. Speaker, believes that the market is a panacea, that it works equally well in all areas, and of course that's nonsense. Natural gas is not hamburgers. Natural gas is not buying televisions. It's something that's fundamental and which does not lend itself to that type of competition.

I think, Mr. Speaker, we need to be very careful with Bill 19. In my view, it is going to entrench higher prices, greater complexity, and I think that it's going to come back to haunt the government down the road. Any members here who may have been offered assurances that higher gas prices will be remedied by passing this act should think carefully before accepting those assurances and voting for this bill because it will not do so.

So I'd like to thank members for their rapt attention and yourself, as well, and I'll take my seat now. Thank you.

The Speaker: Hon. members, Standing Order 29 kicks in. Questions? The hon. Member for Edmonton-Gold Bar.

Mr. MacDonald: Yes. Thank you, Mr. Speaker. To the hon. Member for Edmonton-Highlands. In your remarks you were discussing the issue of ethane. How do you feel Bill 19 will change our competitive position not only in Canada but in North America? We are losing the ability to compete because we are losing the ability to have cheap and reliable natural gas to fuel our industries.

Mr. Mason: Thanks very much for that question, hon. Member for Edmonton-Gold Bar. I believe that our competitive position has already declined, because we are exporting our natural gas resources for others to use to create jobs at our expense. A more foolish policy, Mr. Speaker, I can't imagine, yet that is the market philosophy of this government taken to the utmost extreme. I believe that we are exporting jobs from this province as a result of that policy.

Now, in terms of how this bill will specifically affect the situation, we are going to be paying higher costs than necessary for using our own gas, and that adds to the cost structure of our industries and our businesses and our farms. That cannot help but reduce in an incremental way the competitiveness of Alberta businesses.

5:00

The Speaker: The hon. Member for Edmonton-Ellerslie.

Ms Carlson: Thank you, Mr. Speaker. My question to the Member for Edmonton-Highlands is this: what would he see as a better alternative to this scheme that we see in front of us today?

The Speaker: The hon. member.

Mr. Mason: Thank you very much, Mr. Speaker. Well, I see a two-stage process. Basically, we could go to the situation where it was a regulated industry which would have a number of players, and consumers would have protection at the regulatory step. Any cost to be passed over to consumers would have to be built in and accounted for and justified before the AEUB.

But I would go further, Mr. Speaker, and I would hold up Medicine Hat as the example of what could be done. This government could buy, at the cheapest possible prices, our own natural gas. It could store it in place, underground, and it could be made available for sale to Alberta homeowners, businesses, farmers at cost. We could provide our own natural gas, which we own, at cost to everyone in Alberta, and we could dramatically reduce the price of natural gas in this province.

Now, you'd have to add some conservation measures so that people don't waste the cheap gas. That could be accommodated, and that's a very important piece. We could become more competitive, we could have a greater advantage, and we wouldn't have our seniors having to turn off their fridge and store their frozen goods and the contents of the refrigerator on their back porch, which is now what's happening in this province. It's a shame, quite frankly.

Mr. Lund: Well, Mr. Speaker, after having listened to the two socialist parties discuss this issue, I'm compelled to ask the hon. member some questions. In his diatribe he did talk about there being some ideological thing here where we were going to have a competitive market everywhere and that the marketplace was going to dictate. I wonder what he, then, would attribute as to why it is we're saying that all - all - of the transmission will be regulated if, in fact, we are moving just to market driven.

Also, the hon. member talked about how cheap gas would be and how we could sell it so cheap, but I do remember that last summer gas was down below \$2 a gigajoule. I'm wondering: how low does he think it can go and still have companies drill and buy land?

Also, on his comment that we own the gas. Well, to a certain degree that is true. We own some of it, but we have sold it. The other point that I would like him to explain: how would we backfill the \$7 billion that we got as royalty if, in fact, we were selling gas for . . .

The Speaker: Sorry. The time for this segment has elapsed. [interjection] I only enforce the rules, hon. member. I'm a helpless servant here.

Some Hon. Members: Unanimous consent.

The Speaker: Well, the question is asked: is there unanimous consent that the Assembly is prepared to provide to allow the hon. Member for Edmonton-Highlands to go beyond the prescribed five-minute rule to answer a question? Any hon. member opposed, please say yes.

Some Hon. Members: Yes.

The Speaker: Okay.

Now, additional speakers in the debate. The hon. Member for Vermilion-Lloydminster.

Mr. Snelgrove: Mr. Speaker, thank you. To paraphrase this very simply for the hon. members to get to their level, like Bart Simpson would say: it's just this simple. If you believe that government can control an economy and can run its people under a monopoly, where there is no choice and no competition, then you're sitting on the right side, but very few other Albertans, obviously, agree with you. The rest of the world history shows that we're right and you're wrong, and we're paying the bills for most of the people who think like you. So if you want to live in the old ages, in the dark ages, and hide behind gloom and doom and "can't work," keep sitting there, and you'll probably be down to one next time.

Mr. Speaker, it is just that simple. If free forces and competition work, then I'm all for it, and history proves it does. Thank you.

The Speaker: I'm sorry. All hon. members have already participated in the debate.

Ms Carlson: You should let us ask a question.

The Speaker: Oh, correct. You're absolutely correct. Five minutes. First, the hon. Member for Edmonton-Ellerslie.

Ms Carlson: Thank you, Mr. Speaker. My question to him is: could he explain to us in some detail what other world forces he was talking about?

Mr. Snelgrove: I'd just like to bring to the hon. member's attention the USSR, that lived under the same guidelines that you have that the state could run stuff. It very successfully disintegrated with a huge, enormous debt, one of the lowest standards of living.

Saskatchewan, my province to the left, with enough debt that they probably can't get out of it, but they think like you.

The Speaker: The hon. Member for Edmonton-Highlands.

Mr. Mason: Thank you very much, Mr. Speaker. I'm wondering if the hon. member opposite, you know, will remember the incredible, tremendous comments of Homer Simpson, who referred to the situation in his employment.

Frankly, Mr. Speaker, there are many, many states in the United

States, some with Republican administrations, who realize that the production, retailing, and distribution of gas and electricity are most cheaply and efficiently provided by a regulated system rather than a free market system. I'm just wondering if he actually just believes this as an article of faith, that somehow the market will come through for him, or whether or not he has scientific evidence to show that this particular system, which we're now trying out in gas and have tried in electricity, actually will deliver cheaper power and gas than the kind of system that he considers to be antiquated and historical.

Mr. Snelgrove: I would like the hon. member to bring us some examples from across the United States or across Canada where people are actually paying their own way without accumulating huge debts for their children to pay with regards to their utilities, be it electric or gas. Let's put it all in context, including the other costs of the distribution. Bring me their bills, and let's sit down with my house bill, and then we'll discuss it, because inventing these hard-done-by people all over the rest of North America simply isn't fair or factual.

The Speaker: First, the hon. Member for Edmonton-Gold Bar.

Mr. MacDonald: I would like to defer to the hon. Member for Edmonton-Highlands, and then I'll ask my question, please.

The Speaker: Hold on. Did I also note that the hon. Member for Edmonton-Riverview wanted to participate?

Dr. Taft: No.

The Speaker: Then fine. The hon. Member for Edmonton-Highlands.

Mr. Mason: Thank you, Mr. Speaker. In response to the hon. member, if I go to the trouble of providing that information to him, will he undertake to vote against this bill?

Mr. Snelgrove: There's probably, absolutely, completely no chance that I'll vote against this bill.

The Speaker: The hon. Minister of Energy.

Mr. Smith: Thanks, Mr. Speaker. I'm wondering if the Member for Vermilion-Lloydminster, who has some substantial private-sector experience, may want to comment on areas where he has seen the invisible hand of competition, where he has seen regulated markets, where there has been a good foundation of regulation work, and other examples throughout his wide and diverse business career where, in fact, (a) it's okay to make a profit, (b) it's okay to share prosperity, and (c) it's okay to find an appropriate marketplace where appropriate commodities can be bought, sold, or traded, and in fact where there are marketplaces where there are marked rules, where there are marked codes of conduct or areas where entrepreneurs can succeed and they succeed through competition, price, service, and the other attributes that characterize an active marketplace.

5:10

Mr. Snelgrove: Well, Mr. Speaker, you can't pull the wool over that member's eyes. No doubt about it. Where the market forces work is exactly clear in my riding of Vermilion-Lloydminster, where they have grown at a rate because of a successful oil and gas industry that's being sold in world markets. As you just travel around Alberta, you will see that the economy we live in now is because of the tremendous competition in the other business sectors all coming

