

Legislative Assembly of Alberta

Title: **Tuesday, March 18, 2003**

1:30 p.m.

Date: 2003/03/18

[The Speaker in the chair]

head: **Prayers**

The Speaker: Good afternoon.

Let us pray. O Lord, we give thanks for the bounty of our province: our land, our resources, and our people. We pledge ourselves to act as good stewards on behalf of all Albertans. Amen. Please be seated.

head: **Introduction of Guests**

Mr. Doerksen: Mr. Speaker, it gives me a great deal of pleasure today to introduce to you and through you a true friend of Alberta. In September 2000 the current Minister of Environment with Innovation and Science on an annual trip visited Silicon Valley where the department has facilitated the interaction of Alberta technology companies with investors, mentors, and customers in California. Mr. Nissley was the first California angel investor to work with us, and we now have over 60 investors working with the Alberta/California venture channel. Mr. Nissley is responsible for another first as he and his partner Frances Chang have invested in an Alberta company, the first Californian in the venture channel to do so. May I introduce to the House Hal and Juanita Nissley and Edgar and Frances Chang from Los Altos Hills, California. They are accompanied by Randy Thompson, board member of the Alberta/California venture channel, and David Antoniuk, director of research and technology commercialization with the Department of Innovation and Science. They are seated in the members' gallery, and I'd ask them to rise and receive the warm welcome of the House.

The Speaker: The hon. Minister of Children's Services.

Ms Evans: Thank you, Mr. Speaker. It's such an honour today to introduce a young lady from Austria, Lisi Aichinger, who is here with Dennis Pommen, a Rotarian in Sherwood Park. She has been an exchange student on a program here for almost a year. It will be a year in July, and then she'll go back to Austria. But something remarkable that we should all pay attention to: she's been in high school at Bev Facey, but when she started her tutorial as a student, she studied English for seven years, Latin for five years, Spanish for three years, and Russian for a year so far. What an international student of absolute world acclaim. I'd ask our special guest, Lisi, and Dennis Pommen to please rise and the Assembly to give them a warm welcome.

The Speaker: The hon. Minister of Infrastructure.

Mr. Lund: Thank you, Mr. Speaker. It gives me a great deal of pleasure today to introduce to you and through you to the House a group of eight very caring and compassionate people, funeral directors from around the province. Their names are Gerald Connelly, Ron Smith, LeeAnne Snodgrass-Allen, Ken Papirny, Pat Wisener, and, from my hometown of Rocky, Gordon and Diane Flinn. They're seated in the members' gallery, and I would ask them to rise so we could give them the traditional warm welcome of the House.

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

Ms Kryczka: Thank you, Mr. Speaker. I am very delighted to

introduce to you and through you to this Assembly this afternoon Jeannie Morrison. Jeannie has been a Calgarian and a constituent of Calgary-West for five years. She lives in the community of Coach Hill, and she came to Calgary via Vancouver and Nova Scotia. She is presently external affairs manager for the west for Wyeth Pharmaceuticals. I would ask Jeannie to rise and receive a warm welcome from this Assembly.

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

Ms Carlson: Thank you, Mr. Speaker. It's my pleasure to introduce to you and through you to all members in the Assembly today 59 visitors from Holy Family Catholic school. It's one of my favourite schools because that's where my children went. Today they are accompanied by teachers Mrs. Caroline Lepps, Ms Colette Coumont and student teacher Mrs. Alison Tymchak and teacher assistant Mrs. Marta Molnar. Parent helpers today are Mrs. Brenda Manning, Mrs. Joan Walters, and Mr. Scott Vickery. I would ask that they all please stand now and receive the traditional warm welcome of the Assembly.

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

Mr. Mason: Thank you, Mr. Speaker. I have two introductions today. The first introduction – and I'm very pleased to introduce this group – is a group of five students and their teacher from Inner City high school. Inner City high was founded in 1993 and assists students to find success in high school and to move on to employment. They're accompanied by their teacher, Mr. Tim Christopher-son. I would ask them to rise and receive the warm welcome of the Assembly.

My second introduction today, Mr. Speaker, is Mr. William Newhouse, the director of Poverty in Action, a group who advocates for low-income earners who are facing severe financial hardships. I would ask Mr. Newhouse to rise and receive the warm welcome of this Assembly.

The Speaker: The hon. Minister of Learning.

Dr. Oberg: Thank you very much, Mr. Speaker. I am pleased to rise today to introduce to you and through you the assistant to the U of A board of governors, Louise Shulko. As well, she is accompanied by an assistant from my office, Ms Neris Valle. I would ask both of them to stand and receive the warm welcome of the Legislative Assembly.

head: **Oral Question Period**

Energy Prices

Dr. Nicol: Mr. Speaker, today some Albertans will receive their third successive skyrocketing natural gas bill but still will not receive protection from price spikes that this government promised during the last election. In October 2001 the Alberta Energy and Utilities Board ruled that utility companies could not employ hedging to protect their customers from volatile prices because this government already had legislation in place to protect Albertans. To the Premier: will the Premier please explain how – and I quote from the EUB – consumers' interests are adequately protected by the Natural Gas Price Protection Act, end quote, when the price of gas is over \$9 and consumers are not receiving any protection?

Mr. Klein: Well, Mr. Speaker, the price of natural gas is determined by the market, and Albertans pay no differently than people in New

York or people in Minnesota or people in Ontario or Quebec. It's a market determination, although most of the gas, of course, is under our feet here in Alberta. Still, market forces prevail just like they do for any other commodity.

Now, relative to the role of the Alberta Energy and Utilities Board they make sure that any application for a rate increase is based on solid evidence relative to the need for such an increase, and members of the public and interested groups are invited to intervene, Mr. Speaker. I don't know what the procedure is, but the hon. leader certainly can make application to become an intervenor if he thinks that the rate increase being applied for is too extreme.

Relative to the intricacies of the hon. member's question I'll have the hon. minister respond.

Dr. Nicol: Again to the Premier: by allowing flow-through pricing, are the government and the EUB not sentencing Albertans to the most volatile of pricing systems?

Mr. Klein: Well, Mr. Speaker, I'll have the hon. Minister of Energy supplement because he is more closely associated with the issue.

The Speaker: The hon. minister.

Mr. Smith: Thank you, Mr. Speaker. Indeed, the flow-through pricing is something that Albertans have been used to for many years. There are now increasingly more commercial entities that will be able to deliver appropriate contracts that will mirror Alberta's consumption habits. For example, if you're a residential homeowner, you'll use about 45 percent of your natural gas during the period of December through March. If you're a greenhouse, you'll use 60 percent of your fuel through January, February, and March. So, in fact, these different market conditions exist all across the province. The structure of the legislation, that I don't want to talk about because it is in front of the House, will in fact deliver these types of alternatives easily and in an understandable fashion for all Albertans to get what they want from energy and electricity purchases. Do they want the best price? Do they want to have the level of pricing so that they can predict what they'll pay? Do they want an equalized payment plan? These are the types of choices and options that Albertans will have before them with the passage of Bill 3 and Bill 19.

1:40

Dr. Nicol: Again to the Premier: why does the government have a monthly model for price determination yet a yearly model for price protection?

Mr. Klein: Again, Mr. Speaker, the hon. minister is more intimately involved with these procedures and these issues. I'll have him respond.

Mr. Smith: Well, Mr. Speaker, with respect I would correct the hon. member's assertion in the question because, in fact, the yearly average annual price is based on the monthly prices on which we collect our royalty. Of course, we spend money in a budgeted fashion throughout the year, and then for a rebate to take place, we need that time based on monthly prices for the money to come in to the government so that a gas rebate could be paid if the average annual price exceeded \$5.50.

Dr. Nicol: In 2003 the Alberta Energy and Utilities Board approved a flow-through option for ATCO electricity customers. This is the same pricing model that has created unstable and uncertain natural

gas prices for Albertans. To the Premier: why does this government want to have the same instability and uncertainty in the electricity market that you have had in the natural gas market?

Mr. Klein: Mr. Speaker, the whole purpose of deregulation is not to create uncertainty and instability. It's done to create competition and to bring more power onstream, and that, indeed, has happened. We see many cogeneration projects, new coal-fired projects now coming onstream, more wind power now coming onstream. As this thing settles down, market conditions will prevail and people, as they are now starting to realize, can get some deals that will stabilize and provide some certainty to the power prices they pay.

The Speaker: The hon. minister.

Mr. Smith: Thank you very much. I just do want to add that Albertans have purchased electricity and they have purchased natural gas on a flow-through rate ever since the first kilowatt-hour was generated and ever since the first cubic foot of gas was sold. It's called spot-rate pricing. This is exactly the familiar territory that Albertans have been in and exactly the reason why they want to see Bill 19 and Bill 3 passed: so that they can employ these options. If you're on a fixed income and you want to know what your payment is going to be on a 12-month period, you'll be able to take advantage of that. Mr. Speaker, these are market forces tied in with a compassion for those who are on fixed incomes and those seniors as well as being able to deliver the maximum amount of choice and benefit to Albertans.

Dr. Nicol: To the Minister of Energy: will the minister commit to having the Alberta Energy and Utilities Board review their decision not to allow price protection by Alberta companies so that Alberta natural gas and electricity companies can provide some consumer protection that your government won't provide?

Mr. Smith: Will we tell them to do something in case somebody else doesn't do something so that if they can do something, then it would protect somebody else? Mr. Speaker, the Alberta Energy and Utilities Board has worked in the responsible domain of all Albertans since its inception. It works in the public interest. It goes out; it holds hearings. Those hearings are open. Those are transparent hearings. They're transcribed decisions; they're recorded decisions. The EUB has a 50-year plus record of operating in the public interest of all Albertans.

Dr. Nicol: To the Premier: is it the government's policy here not to have the Alberta Energy and Utilities Board participate and work with the companies in Alberta to help consumers get some stability?

Mr. Klein: Mr. Speaker, I stand to be corrected, but I believe that they do precisely that, in addition to conducting open and transparent hearings. If the hon. leader of the Liberal Party has a problem with the Alberta Energy and Utilities Board, which, as the hon. minister pointed out, has operated very successfully in this province for 50 years, indeed is recognized as a model for regulatory regimes around the world, then I would suggest that he take his problem directly to the board.

The Speaker: Third Official Opposition main question. The hon. Member for Edmonton-Mill Woods.

Education Funding

Dr. Massey: Thank you, Mr. Speaker. In the Minister of Learning's

constituency parents fund-raise for student trips to Malaysia. Diane Williamson, an Edmonton parent, says that her daughter's school had to use \$50,000 in casino funds to buy computers that are required by the curriculum. Obviously, two very different school worlds. My first question is to the Minister of Learning. Does the minister consider that this casino purchase was for basics, or was it for so-called extras?

The Speaker: The hon. minister.

Dr. Oberg: Thank you very much, Mr. Speaker. If, for example, the computer purchases were to add 10 or 15 or 20 computers to those that are already there, then I would consider it the parent council's choice as to where those dollars have gone. I would like to see from the hon. member how many computers, what the computers were used for, and all of the above in order to answer that question.

The Speaker: The hon. member.

Dr. Massey: Thank you. Again to the same minister: given that some American jurisdictions allocate close to \$150 per student for technology services, does the minister believe that the \$43 per student that we provide offers an adequate level of service to students?

Dr. Oberg: Mr. Speaker, the answer to that is quite simply no. The \$43 was a technology supplement to be used on top of the per student grant that is given to the school districts.

Dr. Massey: My third question is to the Minister of Innovation and Science. Does the minister believe that the \$43 per student will cover the cost of buying computers, evergreening, and the purchase of current software so that schools can take advantage of the Supernet?

Mr. Doerksen: Well, Mr. Speaker, the Minister of Learning is primarily responsible for the budgeting to school districts, but I would like to comment in terms of the Alberta Supernet because the advantages that that will provide to bring distance learning from remote locations to central locations is going to provide a tremendous advantage to Alberta students.

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

Electricity Prices

Mr. Mason: Thank you very much, Mr. Speaker. Yesterday over 100,000 ATCO Electric customers found out that they are to be the latest sacrificial lambs on the altar of this government's disastrous and ideologically driven deregulation scheme. They will face an immediate jump of over 120 percent in their electricity bills, and in all likelihood they will face even higher increases in the future, and all the government can say in response is that ATCO customers previously had the cheapest power in the province with the highest prices in the entire country. Some comfort. My questions are to the Minister of Energy. How high will prices and bills for electricity have to rise before this government admits that deregulation has been a failure?

The Speaker: The hon. minister.

Mr. Smith: Thank you very much, Mr. Speaker.

Mr. Mason: Is it 15 cents a kilowatt-hour, 25 cents, or even higher?

The Speaker: The question has been identified.

Mr. Smith: Mr. Speaker, one of the things that we are quite comfortable about is that we know that the prices from EPCOR are now going to be lower since he's left the management side of that company.

The Speaker: The hon. member.

Mr. Mason: Thank you very much, Mr. Speaker. Well, given that the minister doesn't have an answer for the people of Alberta, who have to pay higher prices, and he won't give a straight answer, I'll try again. How bad does the damage . . .

The Speaker: Please, please, please. Hon. member, we have a rule about no preambles, that your caucus agreed to. It was signed. Let's get to the question.

Mr. Mason: Thank you, Mr. Speaker. How bad does the damage have to get before this government admits its mistake and fixes the problem? It's very simple.

1:50

Mr. Smith: Mr. Speaker, there has been some comment on this side of the House: would we like to go back to a socialist regulated system where we would put billions of dollars of debt on the backs of future Albertans, on the backs of future children of Alberta, on the backs of future business endeavours of Albertans? The deregulation formula was structured so that we could have generation come on at a timely rate. Now, a lot of factors have occurred since then; namely, the fact that this has been a very healthy economy. Growth means that you need new generation, and in fact – and I know that the Minister of Economic Development will want to supplement this – there has been a tremendous increase in wealth in this province. Yes, we have seen increased electricity prices, but what we see with the passage of Bill 19 is more options, now moving towards choice, new generation, and different alternatives for people in Alberta to purchase their power.

I would ask the Minister of Economic Development to supplement.

The Speaker: The hon. member.

Mr. Mason: Thank you very much, Mr. Speaker. Will the minister admit that during the late 1970s the economy of Alberta grew even faster than it's growing now, yet generation was brought on in a timely fashion? There were no shortages and no brownouts, and prices were stable, not like now.

Mr. Smith: Well, Mr. Speaker, I think that an ND politician may have come up with a new Trivial Pursuit game, and it'll be called To Predict the Past. Every time we sit and have this discussion, this hon. member wants to go back to the days when there was an economy of some \$30 billion or \$40 billion. There was basically a one-strength economy. The circumstances of the 1970s were entirely different than the circumstances we're faced with today. If the hon. member would visit back in his rearview mirror, without the added comments that he wants to put in, he would find that the last regulated piece of generation took some 14 years from the time of approval to the time the first kilowatt was shipped.

Now, Mr. Speaker, if we would have tried . . .

The Speaker: Hon. minister, through the chair.

Mr. Smith: Now, Mr. Speaker . . .

The Speaker: Now, please. There are a lot of young people in the galleries today. I'd sure like to impress them with decorum.

The hon. Member for Red Deer-North, followed by the hon. Member for Edmonton-Gold Bar.

Severe Acute Respiratory Syndrome

Mrs. Jablonski: Thank you, Mr. Speaker. Recent reports have talked about a mysterious illness that has already killed two people in Ontario and more in Asia. Little seems to be known about this illness. Yesterday there was a suspected case reported in Alberta. Many Albertans are concerned about this, and my question is to the Minister of Health and Wellness. Can the minister tell us what this illness is and who is susceptible to it?

Mr. Mar: Mr. Speaker, an isolated case in Edmonton of atypical pneumonia was reported yesterday afternoon by my department's provincial health office and the Capital health authority. This particular illness is now being referred to as SARS, or severe acute respiratory syndrome. This case appears to be similar to cases reported in both the cities of Vancouver and Toronto and is characterized by high fever and a cough. The patient in the particular case in Alberta was admitted to an emergency room, and because Alberta participates in the exchange of information in monitoring these types of problems throughout the world, the patient's condition was identified, and the patient was put in an isolation area while her illness continues.

At this point, Mr. Speaker, what health officials have confirmed is that this disease is transmitted person to person, specifically through sneezing and coughing. All evidence suggests that it is transmitted only through close contact. It appears that in Canada the illness has only affected recent travelers to southeast Asia, some of their family members, and one physician who was treating a patient with SARS in the city of Toronto.

The Speaker: The hon. member.

Mrs. Jablonski: Thank you. To the same minister: can the minister tell us what his department is doing to protect Albertans from this illness and what precautions Albertans can take to avoid this illness?

Mr. Mar: Mr. Speaker, I think I need to give a very short history on the illness to put it in perspective and outline, then, what provincial health officials are doing in response. The World Health Organization issued an alert on the 12th of March of this year concerning cases of SARS in Vietnam, Hong Kong, and China. The following day Health Canada reported several people ill in the cities of Toronto and Vancouver. Based on that report, my department's provincial health office advised the regional medical officers of health throughout the province, the Provincial Laboratory, and Alberta physicians to increase surveillance of respiratory illnesses that were accompanied by fever, specifically with respect to individuals who had a history of recent travel in southeast Asia. Physicians were also asked to notify their medical officers of health as soon as they found suspect cases so that appropriate officials both provincially and federally could be notified.

Our office is in daily contact with Health Canada and regional health officials to ensure that new information is shared as quickly as possible. We are working with our global counterparts to identify

the organism that is responsible for this illness so that a potential treatment can be identified, thereby slowing the speed of the illness.

The Speaker: The hon. member.

Mrs. Jablonski: Thank you, Mr. Speaker. Can the minister tell us what precautions Albertans can take to avoid this illness?

Mr. Mar: Well, Mr. Speaker, I first of all want to assure Albertans that we have thus far just had a single, isolated case in Alberta at this time, involving an individual who contracted the illness while traveling in Asia.

At the best of times, Mr. Speaker, we should always say that Albertans should be encouraged to wash their hands regularly to avoid contracting or transmitting respiratory diseases. Health officials are following up with other passengers who may have been exposed to this while on flights traveling to and within Canada and with family members of current cases. As well, individuals returning to Canada from Asia are being made aware of the illness and to watch for symptoms such as high fever and cough or difficulty breathing. If such people do find that they're experiencing these symptoms, they should contact their family physician.

The Speaker: The hon. Member for Edmonton-Gold Bar, followed by the hon. Member for West Yellowhead.

Energy Marketing

Mr. MacDonald: Thank you, Mr. Speaker. Yesterday the Premier told this House that he was "not aware of any high-pressure sales tactics being used by any . . . marketers." But last week an energy marketer visited an 89-year-old woman named Annie Matlock in the constituency of Edmonton-Gold Bar and even asked for a copy of her late husband's death certificate. Mrs. Matlock, like so many Albertans, did not have enough information about the energy marketplace to protect herself from the high-pressure tactics and the offers being made and ended up signing a contract she later regretted. The company, to their credit, delivered a handwritten apology to Mrs. Matlock the following day. My first question is to the Premier. Where can seniors, who often don't have Internet access, go to find out what rights they have when an energy marketer comes knocking on their door?

Mr. Klein: Mr. Speaker, the hon. member is absolutely right, but to try and twist it to somehow implicate me in this particular problem is, I think, to say the least, misleading the House. I wasn't aware and I'm not aware as to what various salespeople do relative to the sale of any commodity, whether it's electricity or roofing or sidewalk repairs or anything else. The department to which this elderly person and any other person who feels that they're being misrepresented can turn is the Department of Government Services, and there are consumer protection programs relative to that particular department. The minister is not here today, but I will endeavour to get either the toll-free number or the Internet web page and pass it on to the hon. member.

The Speaker: The hon. member.

Mr. MacDonald: Thank you, Mr. Speaker. The Premier knows full well that energy deregulation is the first problem here.

Again to the Premier: how is this government ensuring that a marketer is using only timely, accurate, verifiable, and truthful comparisons in their aggressive sales pitches?

2:00

Mr. Klein: Mr. Speaker, this has something to do with marketing electricity and offering a customer a deal. This has nothing to do with deregulation, which, as I said before, has brought on vast amounts of new power and has provided competition in the marketplace. I guess whenever there is competition, you have aggressive salesmen, and these problems will arise from time to time. But, again, as I pointed out, there is a consumer protection program in place through Government Services, and once I determine the toll-free number and the web page address, I'll pass it on to the hon. member.

Mr. MacDonald: Again to the Premier. Consumers in this province know that energy deregulation is not a good deal. Now, how is this government ensuring that an energy marketer is not abusing the trust of a consumer or exploiting any fear or lack of knowledge or experience of a customer?

Mr. Klein: Mr. Speaker, you know, I get sick and tired of this. When the prices are high, then they complain. When the prices are low, you don't hear a peep. Six months ago the price of electricity was 4.4 cents a kilowatt-hour, and we didn't hear a thing from the Liberals. Nothing. Nothing. Absolutely nothing. They use deregulation as a political football. When the prices are down, they say nothing. When the prices are up, it's because of deregulation. When the prices are down, what do they say? Oh, it's because of the Liberals. Be honest. Complain just as loudly when the prices are down as you do when the prices are up. Be honest for a change.

The Speaker: The hon. Member for West Yellowhead, followed by the hon. Member for Edmonton-Riverview.

Seniors' Utility Costs

Mr. Strang: Thank you, Mr. Speaker. My only question today is to the Minister of Seniors. Re the special-needs assistance for seniors' programs to help seniors with the rising utility costs, does the criteria change cover costs for items like propane and other alternative fuel sources?

The Speaker: The hon. minister.

Mr. Woloshyn: Thank you, Mr. Speaker. Being brief, the answer is yes. The special-needs assistance program focuses on seniors in need who don't have the financial resources to fund onetime shortfalls. We expanded it to include utilities, and under that category propane, heating fuels, natural gas, and any other items used, if you will, for utilities will be considered as part of the program.

Holy Cross Hospital Renovations

Dr. Taft: Mr. Speaker, a for-profit corporation bought the Holy Cross hospital in Calgary to provide surgical and long-term care services on contract to the Calgary health region. My questions concern renovations done at the Holy Cross by this corporation. To the Minister of Health and Wellness: given reports that secondhand carpeting, some of it soiled and even marked with cigarette burns, was installed in patient rooms during renovations at the Holy Cross, does the minister consider this an acceptable standard for a public partnership with a for-profit health care corporation?

Mr. Mar: Mr. Speaker, I'm not aware of the circumstances that have

been raised to the attention of this House by the hon. member, and if he wishes to bring forward appropriate documentation to demonstrate this to me, I'll be happy to look into it for him.

Dr. Taft: Well, then, given that substandard drywall was installed during the renovations of the Holy Cross, forcing building inspectors to issue corrective orders to meet fireguard standards, can the minister explain why he continues to approve of the contract with the owners of the Holy Cross?

Mr. Mar: Mr. Speaker, I was not aware that the hon. member had taken on a nighttime job as a building inspector.

Dr. Taft: Well, he should be better informed.

So let's try one more time. Given that the minister must grant approval of this contract, has he reviewed the government's own files that show numerous safety and building code violations concerning the Holy Cross?

Mr. Mar: Mr. Speaker, again, if the hon. member is aware of such allegations, then I'd be happy to look into them for him.

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

Edmonton Public School Board

Mr. Hutton: Thank you, Mr. Speaker. I know that the Minister of Learning has stated several times that he is in the midst of an audit of the Edmonton public school board, but I am still receiving way too many calls and letters from concerned constituents regarding the memo that the chairman of the Edmonton public school board sent out across Edmonton which states that 350 teachers could be laid off. My question is to the Minister of Learning. Is the number even remotely accurate?

Thank you, Mr. Speaker.

Dr. Oberg: Mr. Speaker, we are still in the midst of an audit of Edmonton public, and I'll be more than happy to answer that question when the audit comes in. We have seen some extremely promising results on this audit to date. We're attempting to have the audit done. We're hoping that it will be done by the end of next week, at which time I'll be able to make it public.

Mr. Hutton: Again to the same minister. A number of my colleagues attended a public forum last week, which most, if not all, of the parent councils from west Edmonton attended. They informed us that classrooms will balloon to as high . . .

The Speaker: Hon. member, I interjected earlier about preambles. Let's get to the question.

Mr. Hutton: The question is: will the minister inform us if classrooms will balloon past 30 to 33 students in kindergarten to grade 6 next year?

Dr. Oberg: Mr. Speaker, the answer to that is no. We just did the class size study that went around the province. You'll be happy to know that the classes are actually slightly under what they were last year. For kindergarten the average is slightly over 19, for K to 6 the average is around 23, and above 6 it's around 25. So I don't see that. I think Edmonton public has taken steps by adding six minutes

to each school day, which will help considerably in keeping the class size down. So there are things being done.

Mr. Hutton: While meeting with those parents last week, it was expressed that grade 10 funding was capped. My question is to the Minister of Learning. Is the cap on the number of credit courses in grade 10 still in effect?

Dr. Oberg: Well, I'll answer that in two ways, Mr. Speaker. First of all, there was no cap on the number of credits. There was a per student amount of dollars that was given for each student in grade 10, and that amount is \$4,997.

Mr. Speaker, it is very interesting to note, though, the reason this was done. The reason it was done is that last year, in '01-02, we had over 200 cases of students who had more than 70 credits per year. Another very interesting thing is that last year there was approximately \$250,000 clawed back from Edmonton public for – and I'll give you the examples – first of all, inappropriate claims, where students were given credits for courses that they didn't take, that they were never registered in. In other cases students were given credits for simply casting ballots in a student election and attending regular school assemblies. There was a lot of abuse. The Auditor General even brought this out and said that there was a lack of accountability. Since that time, we have looked very closely at CEUs, and there will be changes brought forward this September.

Mosquito Control Program

Ms Carlson: Mr. Speaker, last year over 300 people in Ontario were infected with the West Nile virus; 11 of those infected died. We now know that the advance of the West Nile virus is threatening Alberta and its people, but in spite of this fact this government refuses to help stop the spread of the virus to Albertans. My questions are to the Minister of Environment. Given that mosquitoes are exclusively how this virus is transmitted, why does this government not have a program to help control mosquito populations in Alberta?

The Speaker: The hon. minister.

Dr. Taylor: Thank you, Mr. Speaker. It's a good question the member has asked. Until 1993 the province was working with the municipal governments in funding mosquito control programs, but in 1993 a deal was done with the municipalities where they would take over their own mosquito control programs, and that's where it sits today. The municipalities have had that responsibility and official control since 1993.

Ms Carlson: Mr. Speaker, with this new problem that's occurring, can the Minister of Environment explain how he expects municipalities to shoulder the additional burden of mosquito control and education now, when this government has drastically reduced funding to those municipalities?

2:10

Mr. Mar: Well, Mr. Speaker, we expect to find West Nile virus in Alberta in 2003, quite likely, in a bird first and perhaps in horses and eventually in human beings. There has been one case of West Nile reported here in this province from a person who contracted it while traveling in the United States.

Now, we do have a contingency plan for West Nile virus, but it's based on the best information about this disease in North America and on environmental and biological factors specific to the province

of Alberta. We are preparing a provincewide physician education program to ensure that all physicians are aware of this disease and how to test for it and whether or not and when they should refer a patient to a specialist.

Mr. Speaker, starting in April, we will be providing Albertans with timely information about the developments of this disease and about how Albertans can best protect themselves from the infection. We will continue to monitor the presence of this particular virus, again, in birds and in horses, and we will notify Albertans as soon as we note the virus's arrival in this province.

I should note that in places in other parts of Canada where spraying has been introduced as a way of dealing with the mosquitoes, there are health hazards associated with what is referred to as fogging. It is the best advice of our medical officers that the risk associated with fogging actually exceeds the risk associated with contracting West Nile virus. The likelihood of actually showing some of the problems associated with this virus are one in a thousand. It is a disease that, from the best advice that we have, is relatively modest compared to, for example, this issue of SARS.

So, Mr. Speaker, we are focused on the issue of West Nile virus. We do have a plan in place, but I want to point out that spraying mosquitoes is not necessarily the best way of dealing with it.

Ms Carlson: Mr. Speaker, my questions are to the Minister of Environment because we want to solve this problem before it becomes a health issue. To this minister. I agree that spraying isn't the only option. There are lots of other options out there. Is he going to be involved in a program to educate individuals on how they can reduce mosquito breeding areas in places like their backyard ponds and rain barrels?

Dr. Taylor: Certainly, Mr. Speaker. We already have information like that available in regard to not allowing standing water to exist in your backyards or rain barrels, as she's used. We encourage people to get rid of standing water like that, but it's not something that we can enforce. As the minister of health has quite clearly stated, we have a good plan, giving people information on how to protect themselves; for instance, wearing protective clothing, wearing mosquito repellent. We have this plan in place, and we will continue to monitor the situation as we go forward.

Postsecondary Tuition Fees

Dr. Pannu: Mr. Speaker, this Friday the board of governors of the University of Calgary will meet to consider hiking tuition fees for all students and imposing even higher differential tuition fees in the faculties of business, law, and medicine. In a document that I will table later, the university president, Harvey Weingarten, lays part of the blame on a 70 percent hike in the U of C's utility costs in the past two years. The planned tuition hikes will just about cover the hike to the U of C's utility costs. To the Minister of Learning: why is the government making students pay for its failed deregulation scheme through steep tuition hikes at the University of Calgary and other such institutions in the province?

Dr. Oberg: Mr. Speaker, under legislation that was tabled in this Assembly approximately six or seven years ago, the student will pay at most 30 percent of the cost at a particular university. So, basically, what that means is that the government, private business, and other individuals are paying for roughly 70 to 75 percent of those students' fees.

The Speaker: The hon. member.

Dr. Pannu: Thank you, Mr. Speaker. To the same minister: will the minister on behalf of postsecondary students make representations to his cabinet colleagues to scrap the disastrous utility deregulation policy, thereby allowing universities to limit the increase in tuition fees, to give them some breathing room so that they can contain the rise on a yearly basis?

Dr. Oberg: No.

Dr. Pannu: Appalling indifference, Mr. Speaker.

My last question to the same minister: why does the minister refuse to admit that the \$9 million in additional utility costs at the University of Calgary is directly linked to their planned hikes in tuition fees and do something to stop this increase from taking place?

Dr. Oberg: Mr. Speaker, currently the University of Calgary sits approximately number 29 out of 45 universities when it comes to the level of tuition fees. They are currently looking at putting in a differential fee for things such as business, law, and medicine. Interestingly enough, at the University of Toronto the Faculty of Law now charges approximately \$16,000 per year for tuition. They also undertook a study which shows that the socioeconomic status of the participants in their faculty actually did not change when their tuition went up to \$16,000.

As we look across the country, we see tuition in these three faculties being extremely high. Mr. Speaker, in medicine, for example, across the country we're approaching \$9,000, \$10,000, \$12,000. We want to ensure that our universities have the spaces available for our students. The average cost of a medical degree is around a hundred thousand dollars per year of which these students are paying about \$6,000 or \$7,000. What this simply means is that the rest of the students are subsidizing those students in medicine.

Mr. Speaker, I strongly stand behind the board of governors of the University of Calgary in their decision-making process that will take place this Friday.

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

Mental Health Services

Ms Kryczka: Thank you, Mr. Speaker. Some of my constituents in Calgary-West and others in Calgary are concerned over an apparent lack of information regarding the government's plan for transfer of responsibility of mental health services in Alberta from the Alberta Mental Health Board to the regional health authorities. My first question is to the Minister of Health and Wellness. Will the minister explain the details of the transition plan and why they have not yet been communicated to mental health staff or the public?

Mr. Mar: Well, Mr. Speaker, we actually have been in contact with the employees, and the Mental Health Board has developed an internal newsletter specifically to alert staff to new developments. Seven issues of this newsletter have been produced to keep staff informed. The transition plan includes the transfer of programs and services on a geographic basis, protection of funding for mental health programs and services, maintaining the Mental Health Board in an advisory role with governance responsibility for provincewide programs like forensic psychiatry. We will continue to communicate extensively with mental health employees and service providers and stakeholders.

I personally have been in contact with Mr. Dan MacLennan of the Alberta Union of Provincial Employees to facilitate further commu-

nication. Information sessions have been held for mental health physicians and senior administrators both in Calgary and Edmonton, and these sessions are also available to other sites through teleconferencing. Presentations have been made to key stakeholder groups such as the Alberta alliance for mental illness. Finally, Mr. Speaker, last month a videoconference was held for staff and union members of AUPE throughout the province, and senior human resource staff were available to respond directly to their questions.

The Speaker: The hon. member.

Ms Kryczka: Yes. Thank you. Mr. Speaker, my first supplemental question is to the same minister. Can the minister assure us that after the transition mental health services will receive designated funding through the health regions, which would certainly be in the best interests of mental health patients?

Mr. Mar: Mr. Speaker, the short answer is yes. I want to assure members of this House and Albertans that dollars that are currently targeted for mental health will not be diverted to other types of programs as a result of going to regional health authorities. Regional health authority business plans will ensure that mental health funding will continue to be allocated to meet the needs of mental health patients in that region.

The Speaker: The hon. member.

Ms Kryczka: Thank you.

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

2:20 Breakaway to Win Hockey Lottery

Ms Blakeman: Thanks, Mr. Speaker. In January 2002 the government introduced the new breakaway to win lottery for the Calgary Flames and the Edmonton Oilers. At that time, I questioned whether or not these tickets would be added competition to existing scratch-and-win tickets whose revenue goes into the Alberta lottery fund to help charities, nonprofits, and volunteer agencies. Interestingly, Alberta Gaming has now gone to a \$5 ticket instead of the \$10 ticket they started with. My questions are to the Minister of Gaming. Why did the department break its commitment that these hockey tickets would not be in direct competition with other scratch-and-win tickets, particularly in the \$3 to \$5 range?

The Speaker: The hon. minister.

Mr. Stevens: Thank you, Mr. Speaker. We monitor the volume of lottery tickets which are sold within the province on a regular basis, and I can advise the hon. member and other members that, in fact, on a budget basis the sale of lottery tickets is up over budget for the year, so it would appear that lottery tickets are doing very well notwithstanding a relatively small part of the market being taken up by the hockey tickets.

The Speaker: The hon. member.

Ms Blakeman: Thank you. What was the rationale to changing to the \$5 ticket from the \$10 ticket?

The Speaker: The hon. minister.

Mr. Stevens: Thank you, Mr. Speaker. In business – and the issue of lottery tickets is a matter of business – it's necessary to create some variety and interest in order that people continue to have some attraction to the product. So it's quite natural and necessary, indeed, that over time the product changes, and in this particular case one of the changes that was effected was a change in price from \$10 to \$5.

The Speaker: The hon. member.

Ms Blakeman: Thank you. Does the minister have any background information or any studies that would lead them to believe that this \$5 version is going to be more successful than the \$10 version was?

Mr. Stevens: Like all lottery tickets ultimately the people who work on it are expert in their field. They do the best they can to design the ticket. The hope is that it will be successful, but at the end of the day the marketplace and marketing that goes along with the particular product determines whether it will be successful or not. I can advise this member that both breakaway versions to date have been successful in that the hockey teams will receive funds, in fact have received funds, as a result of the sales, and we anticipate that the \$5 version will be successful also.

The Speaker: The hon. Member for Calgary-Fort, followed by the hon. Member for Drayton Valley-Calmar.

Bilingual Programs

Mr. Cao: Thank you, Mr. Speaker. Last week the federal government announced that it will be spending about \$750 million in bilingual programming across Canada. Part of these funds will be targeted to increase the number of high school students speaking French. My question today is to the hon. Minister of Learning. How will this funding impact Alberta schools?

Dr. Oberg: Well, as is often the case with the federal government, they have not fully announced any strings that are attached to these dollars. Mr. Speaker, I would say that I'm cautiously optimistic that they will help the students of Alberta in promoting French as an alternative language, as a language that can be learned within our schools. We hope that it will be an adjunct to what we already do, but the biggest issue is that we don't know what strings are attached. We don't know how the money will be divvied out across the country. We certainly hope that it is the federal government's intention to ensure that all students in Canada will benefit from this program, but again I really have to stress that we just do not know where these dollars are and where they're going to be spent.

The Speaker: The hon. member.

Mr. Cao: Merci, M. le Président. Une question secondaire pour le même ministre. My second question is to the same minister. With our plans for mandatory second language training in schools will this mean that schools have to use these dollars to offer French programming only?

Dr. Oberg: Well, Mr. Speaker, it certainly looks that way, that it will be directed directly towards French, and I actually agree with the federal government on this as it is their direction for bilingualism to support both of Canada's official languages. What I do hope, though, is that we will be able to use this funding, which will free up funding for other languages. I feel that the advent of second languages, the bringing in of second languages into our curriculum,

is an essential component of what we teach our children. So we will be doing that, and again I'll just reiterate that I'm cautiously optimistic that these dollars will be put towards good usage by the department in Ottawa.

Thanks.

The Speaker: The hon. member. C'est tout fini?

Mr. Cao: Oui, monsieur.

The Speaker: Then the Member for Drayton Valley-Calmar.

Trucking Regulations

Rev. Abbott: Thank you, Mr. Speaker. Proposed changes to the regulations concerning the amount of time that truck drivers can be on duty and the hours of service they can operate are scheduled to change in the near future. My constituency has a large number of oil field trucking companies and forestry companies, and they need to know how these proposed changes will affect them. My questions are for the Minister of Transportation. How were these proposed changes to drivers' hours of service developed, and when will they come into effect for Alberta?

The Speaker: The minister.

Mr. Stelmach: Thank you, Mr. Speaker. All the transportation ministers have been working on standardizing hours of service over the past two years. We've held public consultations in all of the provinces. The purpose here is to improve traffic safety but at the same time allow for the growth of trade and commerce. Transport Canada has recently published their amendments to the hours of service, and we will be working with them in harmonizing them because, again, here their jurisdiction is over the provincial borders. We'll be consulting with our businesses, our transportation people as to how we're going to enforce those rules within the boundaries of Alberta.

The Speaker: The hon. member.

Rev. Abbott: Merci beaucoup, M. le Président. My first supplemental to the same minister: will the rules be the same across Canada for similar industries?

Mr. Stelmach: Mr. Speaker, not necessarily. Presently oil and gas and agriculture have exemptions, and so does forestry, but in the new rules that are coming forward, it seems like the federal side of forestry will not be exempt further. As I said, we're still going to work with the industry to see that the primary cause, of course, is safety, but on the other hand we want to ensure that it doesn't impede the growth in those industries.

The Speaker: The hon. member.

Rev. Abbott: Thank you, Mr. Speaker. My final supplemental to the same minister: will you commit to consulting with trucking firms that operate in the natural resources industries on the implementation of drivers' hours of service?

Mr. Stelmach: Mr. Speaker, I'm getting a lot of advice back here as to what language I should use in responding to the question. Yes, we do commit to consulting with the industry. It's imperative that we take our time to consult with all industry to ensure that at the end

of the day we find the balance between safety and the ability to conduct their business, not only protecting their workers but also allowing for the growth of trade and commerce.

The Speaker: Hon. members, as the last comment by the hon. Minister of Transportation will probably elicit phone calls to my office about the language of the Assembly, I'd like to make it very, very clear to all those listening that hon. members may use any language they choose to use in this Assembly without restriction.

Speaker's Ruling Responses to Questions

The Speaker: Just a little clarification arising out of question period today. There was a series of questions and exchanges from the hon. Member for Edmonton-Ellerslie to the Minister of Environment. On the second question the hon. Minister of Health and Wellness responded to the question which then elicited a response from the hon. Member for Edmonton-Ellerslie saying that her questions were to be directed to the minister of health. All hon. members know that when questions are directed, they are directed to the government and the government may choose to answer and respond to the question. In this case, as the hon. Minister of Health and Wellness responded to the question, it is deemed quite appropriate because in the order of precedence, in fact, the hon. Minister of Health and Wellness comes before the Minister of Environment. So that certainly meets the test about responding on behalf of the Assembly per se.

Speaker's Ruling Decorum

The Speaker: The hon. Minister of Energy should not feel that when the chair rose with respect to his comments on decorum, they were directed directly to him. They were directed to all members of the Assembly, and they were not directed in any particular direction, to anyone.

Now, did the hon. Minister of Energy feel that I had cut him off before he concluded his answer? If he wishes to supplement the answer he was giving, I'll certainly give him an opportunity to do that now.

Mr. Smith: No, Mr. Speaker. I have nothing further to offer, but I do want to thank you for that clarification.

2:30head: Members' Statements

Federal Gun Registry

Rev. Abbott: Mr. Speaker, I rise today to let this Assembly and all Albertans know that on March 9, 2003, I visited the Canadian Firearms Centre web site, and I did what I'd hoped I would never have to do while living in this great province; that is, reluctantly I registered my guns. On January 1, 2003, thousands of average Albertans became criminals by default. That's right. By doing absolutely nothing, they became chargeable under the Criminal Code of Canada.

The federal gun registry is not only a colossal waste of money; it's also a bad law. Alberta and other provinces have strongly opposed the universal licensing and registration of all firearms imposed by the federal Liberal government through the federal Firearms Act. My government took the position that these regulations and licensing provisions were beyond the constitutional authority of the federal government. We launched a legal challenge to these provisions and pursued this challenge all the way to the Supreme Court of Canada. But you know who appoints the Supreme Court judges, Mr. Speaker: the Prime Minister. So, needless to say, we were not successful in our constitutional challenge of this bad federal legislation.

The June 2000 decision by the Supreme Court upheld the constitutionality of the legislation so that the Firearms Act was deemed valid, valid but not good and not right. Alberta remains opposed to the provisions on the basis that they are extremely expensive to implement and do not prevent or discourage the criminal use of firearms. As the Premier often says, a criminal is not about to stop and register his guns on his way to rob a bank.

Mr. Speaker, our government believes that it would be far more effective to have Criminal Code provisions that are stronger with respect to the criminal misuse and possession of firearms rather than a wasteful and expensive licensing and registration system that penalizes law-abiding Albertans. We further believe that the billion dollars spent should be applied to the enforcement of existing laws rather than the ineffective program of registry.

Mr. Speaker, in conclusion, I would like us to look further into the proposal put forward by the Responsible Firearms Owners of Alberta called the Alberta Western Firearms Heritage and Historical Act.

Thank you, Mr. Speaker.

Wealth Transfer

Mr. Lord: Mr. Speaker, the wealth of a nation and wealth transfers within nations are not measured in dollars and cents alone. The greatest asset of any nation is an industrious and creative population, and Alberta has truly been blessed in this regard and also to see so much talent moving here from across Canada. In fact, this brain gain could easily be valued at a minimum \$350 billion into Alberta, dwarfing any cash flows in the other direction. But this does not mean that we should rest on our laurels.

Alberta has also been losing a few of our best and brightest for a variety of reasons, some of which maybe we could have fixed. I think it would behoove our government to be aware of our own losses in this regard, to study why people moved elsewhere, and to find out what we could maybe do to improve the situation. For example, we have seen a lot of Alberta talent in the film, entertainment, music, and art community leave. What might a Todd McFarland have done for our economy had he stayed? Many small business entrepreneurs, including an Alberta entrepreneur of the year, have also left for a variety of reasons, one of which is a parochial approach to and subsequent lack of venture capital, a market in which Alberta is still only a minuscule player globally. Perhaps a stronger push towards harmonized national security regulations might have helped.

What is the value of people like this lost to our province, Mr. Speaker? Well, let's just take the case of one person, Dr. Norm Dovichi, who, while right here at the University of Alberta, invented technology that was absolutely instrumental in cracking the human genome. If we had just helped out that one individual, Alberta may well have been at the worldwide forefront of an industry that will rival our oil and gas industry. But we didn't recognize that, and for want of a relative pittance of research and venture capital dollars he went elsewhere.

Proud of Alberta as we are, there is more work to be done. We need all the inventors, entrepreneurs, and creative people we can get, and we need to encourage the ones we already have to stay here.

Thank you, Mr. Speaker.

Education Funding

Dr. Massey: Last week an Assembly exchange between a member and the Minister of Learning revealed a serious disconnect between the government and life in Edmonton schools. For the government the glass is more than half full. For them billions are being spent,

achievement scores are high, and teachers are the best paid in the country. Any problems are dismissed as the work of incompetent trustees or pesky teachers. For Edmonton parents there is little water left in the glass. Schools are cutting teachers, lack the money needed for textbooks and computers, and class sizes are growing. Parents are fund-raising for basics and a whole range of other items to free up school dollars for basic programs.

A letter I tabled last week from Mr. D. Vinge captured this disconnect. Mr. Vinge wrote: "I have noticed that when people with genuine concerns are asking questions, you throw out statistics . . . I think it would be so much more helpful if you could sincerely address parent and teacher concerns."

How has the government become so out of touch? Part of the answer rests in the kind of information the government uses to counter parent claims. For parents billions of dollars are meaningless. What counts is how many dollars arrive at the school door to cover costs. Are there enough dollars for reasonable class sizes, to buy needed textbooks and computers? Is there enough to hire support staff and provide services for special-needs students? The answer to these questions in many schools is a resounding no.

When the government hides behind billion dollar budget figures, they offend those who know better and contribute to the adversarial position they now find themselves in with parents and teachers, and they further add to the disconnect, that was highlighted again yesterday when a parent in the gallery shouted out in frustration at the minister's responses.

The time has come for the government to heed Mr. Vinge's advice: "I have no time for a regurgitation of your stats. We need solutions."

Thank you.

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

Global Conflict

Mr. Cao: Thank you, Mr. Speaker. As a person who has grown up and lived through the long 30-year war in Vietnam and now living in freedom in the peaceful land of Canada, I want to share my experiences and perspective.

To the leaders and the people of the hot spots of the world may I say that the measurement of the people or nation is neither in building or owning weapons of mass destruction nor the quantity of the populace. The true measurement is in the long list of achievements in mass construction of humanity and the quality of its people. The same could be said about those who aspire to compete on religious grounds. I believe the final judgment is based on human quality, not the quantity of controlled followers.

To those living far from the areas of problems, we need the ability to differentiate the criminal leadership from the populace on which they exert deadly control and to prevent that leadership from hiding in the name of the populace, race, national independence, or religious pretext. Human rights and freedoms and democracy for all humanity must be the only guide for our determination and fight against the scourge of tyranny, domination, discrimination, inhumane activities even by a government on its own people within its own boundaries.

The world has missed a great opportunity. Now we have to find and create a new one. The vacuum created by the end of the Cold War was quickly filled by the attitudes resurfaced from the Dark Ages. The world leadership failed to raise high the torch of humanistic ideals and take appropriate measures to prevent inhu-

mane events. The UN as an organization not only has the global mandate but needs the authority and help of strong force and determination to carry it out.

Thank you.

head: **Introduction of Bills**

Bill Pr. 1

Sisters of St. Joseph of the Province of Alberta Statutes Repeal Act

Mr. Griffiths: Mr. Speaker, I request leave to introduce a bill being Sisters of St. Joseph of the Province of Alberta Statutes Repeal Act.

[Motion carried; Bill Pr. 1 read a first time]

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

Bill Pr. 2

Forest Lawn Bible College Act

Mr. Pham: Thank you, Mr. Speaker. I request leave to introduce a bill being Bill Pr. 2, Forest Lawn Bible College Act.

The purpose of this bill is to set up a bible college in Calgary. Thank you, Mr. Speaker.

[Motion carried; Bill Pr. 2 read a first time]

2:40head: **Tabling Returns and Reports**

The Speaker: The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Speaker. On behalf of the hon. Minister of Agriculture, Food and Rural Development I'm pleased to table copies of the responses to questions raised during supplementary estimates debate for the Department of Agriculture, Food and Rural Development on February 27, 2003.

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 59 letters supporting Bill 206, the Traffic Safety (Seizure of Vehicles in Prostitution Related Offences) Amendment Act, 2003. I'd like to mention that these letters being tabled are from Calgary and surrounding communities. I think this helps make the point that there is a desire and support for the legislation that preserves and rebuilds communities battling prostitution.

Thank you, Mr. Speaker.

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

Mrs. Ady: Thank you, Mr. Speaker. I rise today to table a newsletter with the appropriate number of copies from Dr. Brendan Croskery, the superintendent of the Calgary board of education, entitled Collaboration with Government. He says in this letter that "over this past year international assessments of student achievement have placed Alberta students in the front rank of all achievers in the world." He feels that there are many reasons for this, but one is because "the policies of our provincial government have made a significant contribution to student achievement." He also states that he believes there is strong evidence that government . . .

The Speaker: Please. Sit down. It's called tabling, not editorializing. This applies to everybody.

Proceed. Do you want to table?

Mrs. Ady: Yes. Could I go ahead and table?

The Speaker: Absolutely. Please table.

Mrs. Ady: I can complete? Thank you.
It's just because of collaboration . . .

The Speaker: Hon. member, just table the document. We'll move on. Okay? This applies to everybody. There's way too much editorializing going on.

The hon. Member for Edmonton-Gold Bar.

Mr. MacDonald: Thank you very much, Mr. Speaker. I have two tablings today. The first one is the energy policy from the Communications, Energy & Paperworkers Union of Canada that was adopted at their convention in September of 2002.

The second tabling I have this afternoon is on behalf of a Calgarian, Mr. Robbie White, who would like to express his concerns about tuition increases in this province.

Thank you.

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

Dr. Pannu: Thank you, Mr. Speaker. I've got two tablings today. The first is five copies of a document from the president and vice-chancellor of the University of Calgary, Professor Harvey Weingarten, in which he draws attention to the increase in utility costs from \$13 million in 2000 to \$22 million this year.

The second tabling, Mr. Speaker, is just copies of a postcard campaign that was run by the University of Alberta Students' Union calling on the government to "freeze the fees" for this year.

Thank you, Mr. Speaker.

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

Ms Blakeman: Thank you, Mr. Speaker. I have two tablings. The first set is an announcement of the second annual Suicide Awareness March, which I attended on Friday. With that, I'm tabling copies of an information sheet prepared by the Support Network on suicide statistics.

My second tabling is a letter from a constituent, Claire Crummy, who is concerned that "Canada must reject the paradigm of endless war and embrace a paradigm of peace." I'm happy to support her in her peaceful stance.

Thank you.

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

Dr. Taft: Thank you, Mr. Speaker. I have 10 tablings today, but I'll move through them very quickly. They are a series of letters expressing concern over steeply rising tuition fees at the University of Calgary, which, the correspondence says, makes it difficult for students to continue their education. They are from Travis Murphy, D.B. Brown, Tanya K., Tyler Johnson, Robbie White, S.K. Cheria, Navid Nikou, R.T. Bergen, Kirstyn Elizabeth Nay, and J.D. Goble.

Thank you.

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

Mr. Mason: Thank you, Mr. Speaker. I have one tabling today. It's a document titled City Centre Education Project: Planning 2003-2004, for McCauley school. This document states that the school

budget will be reduced by \$280,000, resulting in staff reductions of three teachers, two support staff, larger classes, and program reductions.

head: **Orders of the Day**

head: **Government Bills and Orders**

head: Committee of the Whole

[Mr. Shariff in the chair]

The Deputy Chair: Hon. members, I'll call the committee to order, but prior to calling the bill, may we briefly revert to Introduction of Guests?

[Unanimous consent granted]

head: **Introduction of Guests**

(*reversion*)

The Deputy Chair: The hon. Member for Edmonton-Gold Bar.

Mr. MacDonald: Thank you, Mr. Chairman. It's a pleasure to rise and introduce to you and through you to all hon. members of this Assembly a gentleman who is present in the public gallery. Mr. Lionel Laverdiere is visiting the Assembly this afternoon, and he is a business manager with Operating Engineers, local 955. I would now ask him to please rise and receive the warm and traditional welcome of this Assembly.

Bill 19

Gas Utilities Statutes Amendment Act, 2003

The Deputy Chair: Are there any comments, questions, or amendments to be offered with respect to this bill? The hon. Member for Edmonton-Ellerslie.

Ms Carlson: Thank you, Mr. Chairman. I'm happy to have an opportunity to speak once again to Bill 19, Gas Utilities Statutes Amendment Act, 2003, in committee. We have many concerns about this bill, and we are waiting for some of the answers from the government and some explanation of why it will happen that with this bill, while we are going to see the ability for people to enter into the signing of contracts, it will put many people at a disadvantage. What happens when you sign those contracts? Companies aren't foolish. They're in this to make a profit, so they're going to make sure that any contracts signed are at a price that's going to guarantee them a flow of income, which means that consumers are going to be paying a higher price.

Who is it, Mr. Chairman, that's going to be forced into a position where they have to enter into these long-term contracts? It's the people who don't have the available cash ready to be able to follow the spot prices of the market. So most of the people in this Assembly won't have any problem having a reserve of money within their households so that they can ride out the high prices but take full advantage of prices when they're lower in the marketplace. That opportunity isn't available to everybody in this province. Many people, first of all, don't understand the whole process, and they don't understand that there are going to be some highs in the marketplace and some lows in the marketplace. They're just going to believe what they're told by, as we have already heard in this Assembly today, what are often high-pressure salespeople trying to lock them into a long-term contract that is going to give them stability in prices, yes, but it's also going to give them a long-term increase in prices without any options out.

For instance, we heard about the case today of the woman who was 89 years old who was talked into signing a long-term contract, a five-year contract, in fact. What are the chances, Mr. Chairman, that a woman of that age is going to remain in that home for the next five years? I would say that there's a very high chance that she wouldn't be there for the full time, and in that case how does she get out of that contract? In fact, if you take a look at the fine print that's listed there, it's going to be very difficult for her to do that without paying high premiums. Nobody is telling these people out there that these are the risks that they're entering into by doing this. Nobody is telling them that it's those who can least afford it who are going to be bearing the biggest brunt of the burden for leveling out the prices in the future. They're going to pay a premium. Why? Not because they don't work hard and aren't committed to trying to lower the overall costs of their house but because they can't afford to do anything else, and that's a real disadvantage.

2:50

What I talked about the last time I was in the Assembly and which I would like to go back to in a little bit more detail today, Mr. Chairman, is something that leads into these earlier comments, and that's consumer education. We found that people really don't understand what's going on out there. Many people in the marketplace don't understand. In fact, it has come to our attention that many people in the Department of Energy, including some of the communications staff, don't understand what's going on here and have had to go to outside sources, including us as the Official Opposition, to get a handle on exactly what the consequences of actions can be. So how do we expect the average consumer out there to really know what's occurring here and to understand what their options are and to understand how they can best take advantage of low prices? They don't. We need consumer education.

This has been borne out in other jurisdictions who have taken a serious look at focusing on energy, focusing on energy efficiency options, and focusing on consumer education. I would like the Assembly to have the opportunity to see what they are doing in Wisconsin in this regard, in the States.

Now, we hear lots of times that this government holds up various states as real role models for delivering service and for being efficient and effective and being low-cost providers and separating the state from business opportunities. We hear that often, Mr. Chairman, so this afternoon I'm going to walk us through a few of those states who do have different incentive programs and good consumer education programs, hoping that some of these great ideas may rub off on this particular government and that they may be able to incorporate them in their downstream planning as this bill unravels and we see the kinds of problems it's going to be facing in regulations.

If we take a look at the state of Wisconsin, they have a very interesting benefits program for providing supports for clean, affordable, and reliable energy. First of all, I'd like to review the focus on energy outline they have of how their staff is delineated, in fact what turns out to be an organizational chart, which gives us a perspective on how important they see education and training being as a part of what happens when they roll out information to their shareholders or their citizens. This information comes from the Wisconsin Energy Bureau. They have administrative advisers and the Department of Administration, division of energy, and the Public Benefits Council at the top. From the department of energy come compliance agents, an evaluation team and technical advisory group. Then rolling out of that, they have low-income programs. So imagine a state that has low-income programs for energy efficiency. Haven't we asked for that in this province, and wouldn't it have been

a good part to put into this particular bill? Wouldn't it be a great idea for a follow-through bill so that we see in legislation that this government is actually committed to making sure that people on low incomes in this province don't freeze in the dark?

So they've got the low-income programs directly underneath that. They have energy services and a weatherization program which is particularly focusing on energy-efficient measures and a stream of information that just educates that group of citizens. Those are low-income programs for people who appropriately qualify for them. The next phase of the program is residential administrators. So, once again, within their department they have a whole stream dedicated to low-income programs, and then they have a whole stream dedicated to residential administrators, which is quite different than this government, which has a whole stream dedicated to big business and nothing dedicated to anybody else.

Under the residential administrators what they have are the single-family, multifamily programs, so exactly what we've been asking for. Those who own their own homes, those who live in multiple residences, those who rent are all covered under this particular program, and then they have another whole area that just focuses on education, training. So exactly what we've been asking for here: let's tell these people who don't understand the program what's available, what's out there, what really is in their long-term benefit, the risks that they're taking, the kinds of forecasts that we can believe they're going to be paying as prices in the future.

Then they have a whole section designated to technology research and development. Then they have another whole sector dedicated to major markets administration. This is where the only focus of this government has been, on major markets administration. That talks about industrial and commercial programs. Now, so far what we see are just industrial and commercial pricing schemes in this government. We don't see actual programs that focus on what Wisconsin does, which has another department that talks about education, training and then another department that talks about technology research and development. Well, isn't that exactly what small businesses and medium-sized businesses are looking for now? They need to know what's available out there. They need to know how they can access technology research and development so that, in fact, they can take a look at stabilizing their prices.

It isn't enough to say that they're going to be able to enter into long-term contracts. Long-term contracts with whom and with what kind of energy sources? That information isn't available right now. What we have are a lot of companies that are under a lot of pressure to just maintain their daily functionality with increased gas costs, as we see coming through with this bill, not wholly as a result of this bill, but certainly this bill is a contributing factor to a greater or lesser degree. We see that debated in this Legislature, but certainly this bill is a contributing factor.

So now with them having to increase their output just to be able to cover their operational costs at a business level, who has time to go out there and start searching, on a cold basis, for research and development opportunities and educating themselves on what their other options can be and figuring out who the low-cost providers are and what they can access? It's an impossible task to ask these people. So what's going to happen is we're going to have businesses with very low or no profit showing. We'll see reduced incomes for business owners. We'll see an increase in debt being carried by these businesses. Ultimately what we'll see is an increase in bankruptcies. Why? Because this government couldn't figure out how to do deregulation properly in the first place and streamline electricity and gas together. What we see, once again, is this kind of ad hoc bill come in, like Bill 19, instead of what the market needed. It isn't like they weren't told that the market needed this. We've

been telling them for at least five years, and they haven't listened, but this is what Wisconsin has done. They've got a whole stream just dedicated to education and technology research and development for industrial and commercial programs.

Then, Mr. Chairman, looking forward, what else do they have? They've got a renewable administrator. So this is something that the minister of science and technology should've been taking a look at in terms of building this into the program because it's really forward-thinking what Wisconsin has done. They've taken and developed a market barrier program. Excellent. Exactly what we need here when it comes to energy costs.

3:00

It never used to be a problem in Alberta. Before deregulation we would never consider gas prices or electricity prices to be a market barrier. In fact, it was an advantage for us because this province has always been a low-cost provider, and in fact the low cost that was available to businesses and individuals was a large incentive for many head offices and other kinds of businesses to locate here in this province because the cost of operations were low. Low overall costs for lifestyle choices were a very positive factor for people relocating their families here. Not anymore. Now we have the same problem that some of those other states and other countries have had in the past, and those are market barriers.

Wisconsin recognizes this, and they have put in place a market barrier program section under their renewable administrator so that they can identify what they are, and they can start to problem solve on solutions. Light years ahead of where this government is, Mr. Chairman, but something certainly that could've been rolled into this particular bill.

Under the market barrier program they have education training, so once they have identified the barriers, they can do some training on how to get around them, get over them, get through them, or develop new alternatives, and the new alternatives come within the next field that they have here, which is technology, research, and development. So, now, what do we see? We see under the residential administrator technology, research, and development and education training. Under the major markets administrator we see technology, research, and development and education training. Under the renewable administrator we see technology, research, and development and education training. Obviously, this state considers this to be a very high priority, and this in a state that doesn't have the severe kind of weather that we have in this province.

All of those also have a single integrated marketing firm that helps them in terms of meshing all of these great ideas they have: the programs, the training, the technology development, all of the research that's being done. They have a single marketing arm that helps to integrate all of those ideas back into the marketplace. So we have the best of all worlds. We have a flat kind of an organization targeted specifically to the areas where we need information, and when there are some benefits for them to have joint programming, they do it. Exactly where we should be economically when we look at the market.

Then they also have an environmental research administrator and an environmental research forum which, of course, is very important as they take a look at the technology, research, and developments and other applications that they use, and it's very good that this goes through an environmental kind of a screen so that they can ensure that they are being environmentally friendly everywhere they go in the future and that they tie into the overall state and federal plans for hitting specific targets. So this is a really good program that we see here.

Here are some details on this particular program. It's called a

public benefits program, and it encompasses energy conservation, renewable energy development, low-income services. This was started back in 1999, Mr. Chairman, and it was part of the Reliability 2000 package that was promoted by a governor at that date and adopted by the Wisconsin Legislature. I'll be tabling this document when I'm finished my comments so that this government can also take a look at it.

I'd be happy to bring in a great idea like this in a private member's bill, but we know how far that would get. When people from this side of the House bring in that kind of legislation, it goes nowhere. Generally speaking, it's defeated at second reading. But I'm looking for solutions here in the shortest time possible, and I would be quite happy if some bright light on the government side of private members were prepared to take this forward because that would be the course of action that normally sees a bill passing through this Legislature. It's passed as a private member's statement, and then the government will not generally proclaim it, but what will happen is they'll come in with a government bill within a year or two of having first had that idea brought forward, and then we see it adopted. That would be very good because it would help us move into the place we need to be as future costs continue to escalate in this province and we continue to see instability of prices.

Wisconsin, who we don't really think of as a very liberal-minded state generally, I think – certainly, I haven't in the past – established a public benefits fund so that they could support low-income advocacy organizations and environmental organizations but also consumer and business groups and senior citizens and labour unions and retirees. Who could imagine that they could be this forward-thinking? But there they are. Good ideas for this Legislature to take a look at too.

So what happened? Where did they get the money from? Because this government always says: oh, you tax-and-spend Liberals. Well, here is a state that generally is not considered to be hugely liberal who has public benefit funds managed by the Wisconsin department of administration. So they get some of the moneys from the different transition funds, generally speaking previously spent by utilities internally for energy-efficient programs – some of that money has come into this program – and they have developed it.

So what happens here is that there are many participating utilities in this program, and the public benefits directly go to low-income, weatherization, and bill assistance. Go figure. They give their citizens rebates, Mr. Chairman, something this government promised to do but hasn't been able to follow through on. Even better than that, they talk about low-income weatherization, which means giving those people on low income access to the ability to lower the cost of their bills by retrofitting their homes. Exactly what we have been asking for in terms of a retrofit program and something that we haven't seen happen yet. I'm sure hoping that we see that come through in this particular budget.

We've heard now the Minister of Environment and a couple of other ministers talk about this program potentially being looked at and promoted by Climate Change Central. I don't think Climate Change Central has the money to put it in place. Maybe they do. Maybe there's a nice surprise coming for us in this particular budget, but I'd be surprised at that. What I think . . . [Ms Carlson's speaking time expired] Oh, Mr. Chairman, I'll have to come back. I'm not even done on this program.

The Deputy Chair: The hon. Member for Edmonton-Strathcona.

Dr. Pannu: Thank you, Mr. Chairman. I'd like to make some general observations on Bill 19 as we enter debate on this bill in committee. The bill deals with some matters which are at the heart

of the concerns of Alberta consumers, particularly small consumers, small businesses, household consumers who are currently suffering from the spike in gas prices and having to pay huge bills to keep their homes heated, their business places warm, and to keep their water heaters going. I've been looking at some bills that have been coming through. We've been getting these bills from our municipal governments, from schools, from universities, from small businesses all across the province, public and private institutions and organizations, as well as individual families. The growth in the dollars that is indicated in these bills that all these entities have to pay on a monthly basis is truly shocking.

So when I approach my comments on this bill, when I think about this bill, I ask myself: is this bill an instrument? Is this bill a statement of a strategy that will deliver lower bills to the consumers I've just spoken about? Will it guarantee them lower bills? Will it reduce the cost to them of buying this utility, which is not a luxury? It's a necessity. I can't find any evidence in this bill that will give me even a weak assurance that if this bill is passed by this House it will put in place those arrangements which will take away the sting that these spikes result in and that it will reduce the overall costs of the gas at the very tail end of the process where it reaches the consumer.

3:10

Consumers don't care who delivers it to them, who owns the pipelines, who provides the services. All they're interested in is looking at the bill at the end of the month or the middle of the month. Mine came just yesterday, and I'm frankly quite shocked. When I looked at the amount, and when I compared it with what I paid in January and February, even this year, the increase was just quite shocking.

So why is this bill, then, being brought in? I think that what the bill really promises is a so-called choice to consumers. We already have had in this province two retailers, and now we are told that we need more. But we're not given any assurance, and there's no evidence that's produced to show that if we add a third one, a company by the name of Direct Energy – and that's what the bill seems to be designed for; that is, to facilitate the entry of Direct Energy into the Alberta consumer gas market – our bills will go down. No such indication. I can't draw those conclusions from reading the bill. I can't draw any conclusions based on the previous experience of deregulation.

So while the bill offers choice, Albertans want rebates. While Albertans are calling for this government to introduce rebates so that they could at least get some relief as they receive their bills and head to the bank to pay their monthly heating costs, and cooking costs in some cases, this bill simply offers choice without any evidence that if the choice is increased – that is, among the retailers; that's the only choice that's available – it will impact in a positive way, in a constructive way, the size of the bills that they have to pay, a size that has really grown enormously thanks to the deregulation policies of this government. So the government is frantically looking for some way in which to confuse the consumer further in order to cover up its own failure and its responsibility for the dramatic increases that Albertans are experiencing with respect to their home heating costs right now and the small businesses are experiencing with respect to the bills that they have to pay.

Just yesterday I was talking to a person that I take my laundry to, the owner of this laundry business, and she was very seriously concerned that given these increases, what does she do? Does she pass on the increase in costs to her customers? Does she cut back the wages that she pays to her employees? And the third thing that she's concerned about is that if she does the second – that is, in order

to reduce costs, she tries to cut the wages – what happens to her employees who have to pay these increased costs of home heating themselves?

So the effect of deregulation is wide-ranging. It affects a number of people, and it certainly affects the costs of everything – the cost of services, the cost of goods that are produced using energy – and this fuels inflation as a result. The cumulative impact of those increasing prices which are resulting from the speculative markets created by deregulation that's a policy of this government is very negative, very bad. It will fuel inflation; it will hurt jobs; it will lead to businesses, small businesses in particular, finding it a challenge to survive in the tightening marketplace. So why this bill is being pushed is something that's beyond my comprehension at this stage, and the only argument I hear is: the markets will take care of all of us in the long run. This faith in the market is very much like faith in some supernatural power that all we need to do is to assume that someone up there will take care of all of us, and in the same way the market will take care of us.

Well, Mr. Chairman, we know that that's not how markets work. Markets left to themselves create all kinds of serious problems, particularly when it comes to the basic needs that all of us have as human beings that must be met regardless. So long as we can afford to pay for those things, we will pay for those things, but markets don't reduce the costs. They don't make those basic needs related usable any cheaper. In fact, they made them more expensive, as we have learned from the deregulation of the electricity market and of the gas markets.

One organization that speaks on behalf of these residential consumers in particular is the Consumers' Coalition of Alberta, and I have their assessment of this bill in my hand here. First of all, let me put on record for Albertans who may happen to read the debate in *Hansard* as to what this Consumer's Coalition of Alberta does. It is

a residential utility ratepayer advocate. The CCA . . .

That is, the Consumers' Coalition of Alberta.

. . . has provided comment to the various government departments regarding issues of concern to utility customers. The CCA intervenes in utility rate hearings where the outcome of the process may impact residential utility rates.

The proposed amendments as set out in this bill, Bill 19, are supposed to sort of set a framework for the structure of the natural gas utility industry in Alberta. The comments that I find here are made by this consumer advocate in relation to Bill 19 and the amendments that it seeks to make in the existing piece of legislation dealing with natural gas utility services.

The CCA is very concerned that the proposed changes will result in more problems, very serious problems. The first one to draw attention to, of course, is the "increased costs to customers and exposure of customers to new costs or costs previously not in the utility system." I want to underline, Mr. Chairman, that in the judgment of the Consumers' Coalition of Alberta, CCA for short, one negative impact that the bill when it becomes law is going to have is an increase in costs to customers and their exposure to new costs that they previously have not had to pay. The question is then: why bring into being a law that will result in new costs to consumers?

3:20

The second negative impact that this organization draws attention to is about the "increased confusion to customers of natural gas distribution utilities and natural gas retailers." The confusion over the kinds of services for which they have to pay is the second concern that CCA expresses about this bill.

So two key negative features of this bill will either add to the

confusion of customers or add to the costs that they have to pay to get the same utility that they were getting at a lower cost in the past.

Generally the CCA views the proposed changes as paving the way for the entry of retailers to replace the sales function of existing integrated natural gas utilities. This is a change made rather than insure low cost utility services and stable rates to residential and other customers. The CCA submits that customers have not been and are not likely to be the principal driver of the proposed changes. Rather [the CCA sees] 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 customers.

Mr. Chairman, let there be no doubt here that the bill is designed to facilitate the entry of new industry players into the market, not in any way designed to limit or lower the costs for consumers. Quite the contrary. The expenses of the consumers will go up as a result of the measures proposed in this bill.

This statement that I just referred to above concludes with how existing costs in this industry will be increased. The exposure to new costs takes place when new entities or strata of entities, such as retailers, enter a market that was previously served by integrated utilities delivering and selling natural gas to consumers. Each new player or new strata [the CCA argues] will seek its return, and this . . . will add new costs to the whole system.

Mr. Chairman, my time seems to have run out, so I'll sit down then. Thank you.

The Deputy Chair: The hon. Member for Grande Prairie-Smoky.

Mr. Knight: Thank you, Mr. Chairman. I rise today to join in the debate here with respect to Bill 19, the Gas Utilities Statutes Amendment Act, 2003, in committee. I found it rather interesting that the debate appears to wander a bit all over the map. It doesn't seem to contain itself an awful lot to the issues addressed particularly by Bill 19.

Some interesting comments and certainly one with respect to consumer education that I think has been addressed, although perhaps peripherally, by certain ministers in this government, and we do recognize that consumer education will be an extremely important part of the whole restructuring of energy in the province of Alberta as we move ahead not only, Mr. Chairman, with Bill 19 and changes to the marketing of natural gas but also other issues that affect energy in the province.

The comments that surround things that different states are doing with respect to their energy programs are also interesting, and some things come to mind when individuals discuss places like Wisconsin or other states in the U.S. One of the things that came to my mind is a question that has to do with renewable energy and the fact that some states have administrators or sections in their energy departments that are responsible for renewable energy. Certainly, Alberta doesn't take a backseat to any place in North America with respect to those issues. I believe that it was the hon. Minister of Infrastructure that stood in the House recently and indicated to all who had even a modicum of attention being paid to his comments that the largest single wind farm generating facility will be built where, Mr. Chairman? In the province of Alberta within the next three to five years onstream. And the energy produced from that development will be used by whom? The government of Alberta. So, certainly, comments with respect to renewables – I'm glad to see that other folks are also interested in them, but Alberta is doing. We're not talking; we're doing.

Another thing that I'd like to just touch on momentarily is the misconception, Mr. Chairman, that the minute you bring new players into a marketplace, it automatically, full stop, will increase the cost

to consumers. That is a misconception. The truth of the matter is that if you allow a single retailer to go into the marketplace and offer to customers a number of different services – and they may be related or unrelated to the energy business. They may be utilities, and they may be other homeowner requirements such as perhaps cable, perhaps telephones, perhaps high-speed Internet connection, perhaps things like homeowner insurance. It could be a thing like automobile recovery if you have a breakdown on the highway. There are a number of different services that can be offered to consumers, and the truth of the matter is that when a retailer is allowed to offer multiple services under one retail package, the price of the package is lower than the sum of the individual contracts with respect to the retailing portion. So those are some comments that I have with respect to some of the concerns that have been raised.

Further to that, I think it bears looking into Bill 19 – to get back to what we are really discussing in committee here, Bill 19 – and the idea, Mr. Chairman, that this bill will somehow put consumers at risk and that what the bill does is pave the way for some large multinational corporations to come to Alberta and rip off small Albertans and homeowners, et cetera. I think that if we look through Bill 19, we certainly see that the EUB does have a way to establish rules and regulations. There are appeal mechanisms, and certainly the protection to the consumers in the province of Alberta under this legislation will be at least as stringent or more so than what has happened in the past in the province where, lo and behold, who is it that protects consumers now, Mr. Chairman? I would suggest it's still the same group. We're not getting rid of them. In some cases we enhance their ability to protect consumers in the province.

So, Mr. Chairman, I'll leave my comments at that and thank you very much for the opportunity this afternoon.

3:30

The Deputy Chair: The hon. Member for Edmonton-Centre.

Ms Blakeman: Thanks very much, Mr. Chairman. I'm grateful for the opportunity to finally be able to get some comments on the record with this bill. I've been eagerly anticipating being able to debate it a number of times, and somehow it's always adjourned just before I get a chance to speak. I'm not taking that personally.

Mr. Rathgeber: Let's adjourn now.

Ms Blakeman: Well, the Member for Edmonton-Centre would like to adjourn now, but I gather that that is actually something that's discussed by his caucus. I don't know that the sponsoring member is quite ready to adjourn, but perhaps he could discuss that with his colleague.

So starting from the beginning of this process, then – and I did listen carefully to the remarks from Grande Prairie-Smoky, and I will try and return to them at the end of my remarks – ostensibly this Bill 19, the Gas Utilities Statutes Amendment Act, 2003, is amending three different acts: the Gas Utilities Act, the Gas Distribution Act, and the Rural Utilities Act. Now, it's a sister bill to Bill 3 because it's trying to align the natural gas retail market with the electrical retail market.

So it is changing the structure of the natural gas retail marketplace to allow for more competition, or in the government's words, to encourage more competition. Part of that is providing consumers with the choice of signing a contract that's available over a longer period of time or floating on a natural gas spot market price. A big part of that is about who's taking the risk, where the consumer is taking all of the risk or where through regulation or other choices the risk is carried by other entities, and part of my concern on behalf of

my constituents is not to see them placed in the position where they carry all the risk and are not reaping an equivalent benefit as a result of that. That's part of what's the expected outcome of this bill and why it's problematic for my constituents.

Part of that is allowing for this flow-through price of natural gas. We're seeing problems with that right now with ATCO Electric and its pilot project that's being carried on as we speak. So what this bill is intended to provide for us – there's already a pilot project running that we can examine and see if in fact it's going to work very well, and it doesn't appear to be. At this point it looks like it will result in on the electricity side an additional deferral. We're trying to align these two so that a consumer would purchase from one seller. That becomes problematic. It is changing the rules of the marketplace again to try and attract the competition.

Finally, it's affecting the operation of the gas co-ops because it does allow their members to purchase from other suppliers if the choice is approved by two-thirds of the members. So that's changing their bylaws in how they operate things.

Now, I think it's interesting at this time to look at some of the history of gas deregulation in this province, its history as a public utility and then not, because we are seeing, essentially, a further deregulation in this marketplace. There are a number of consumers out there who, because there's discussion going on in both the natural gas marketplace and the electricity marketplace, have just joined those two together and don't understand that the natural gas marketplace utility was deregulated some time ago, in 1985, in fact. The province and the feds signed a deal at that point to deregulate the wholesale price of Alberta gas. Before that point, the province set the sale price for the gas producers. When Ottawa ended the national energy program, then the province and the feds also ended the made-in-Alberta gas price. So that was the beginning of this process that we're now looking at some 18 years later.

Not much happened around this until we started to have changes in the '90s, particularly with the Alliance pipeline. In my mind that's what really started to change a number of things, mostly because more gas started to leave Alberta, and the price started to rise, as well. Certainly we gained from that. There's no question. We benefited greatly from the royalties, and that was used to build schools and put infrastructure in place and a number of other things.

Dr. Taft: Not since the Alliance.

Ms Blakeman: No. Prior to that. Sorry.

At that time we still had protection for the consumers, although the small businesses and householders bought gas through regulated monopolies. So we've had a series of step-up changes in the way gas works here in Alberta.

One of the things that I keep noting from this government is this full speed ahead, full frontal move to deregulate along the lines of: if we deregulate, more competition will come. So we've deregulated and deregulated, but more competition didn't come, and all I see is the government with increasingly gritted teeth saying: we need more competition; we need more competition. And the competition isn't coming. I mean, let's face it. Direct Energy, which seems to be the great saviour on the horizon, which is an international company based in England, won't come here – and they've made it quite clear – unless this bill is passed. Who's kidding who? You know, international companies don't come into Alberta unless they think they're going to make a stink of a lot of money. And who are they going to make all of that money from? Albertans. Coming out of the pockets of the citizens of Alberta.

So to somehow try and gloss over this and say, "oh, no, you know, everybody's going to benefit greatly from this," that just isn't the

case. It's just not supported by what we've got in front of us. That great sort of free market drive, that private enterprise nirvana that this government keeps trying to achieve has not played out in either the natural gas market or the electricity market, yet they keep driving forward, insisting that somehow if we got more competition in here, it would all work better. Well, we're deregulating and deregulating, and they are not coming.

Mr. Rathgeber: What about Direct Energy?

Ms Blakeman: Well, the Member for Edmonton-Calder is asking about Direct Energy, which tells me he hasn't been listening to what I just said. I've just talked about how they're only going to come here if this bill passes and they can expect to make a lot of money out of the pockets of Albertans. Frankly, one competitor does not free market competition make, with the greatest of respect.

3:40

An Hon. Member: What about three?

Ms Blakeman: Oh, I'm sorry. I'm being corrected. Three. The existing two we had plus Direct. My goodness. That'll just knock them down from the competition.

You know, we've had two all the way along, and now we are doing everything we can to entice a third one into place, including passing legislation to attract a company from another country to come in. So this is not working. At what point does the government go, "okay; despite our best wishes that this would happen, it's not happening" and look at something else? I don't know. But it's certainly upsetting the government's ideological applecart that they must deregulate everything and privatize everything, and that will make it all better. Well, it's not making it better.

So what can they do to make this worth the while to entice new retailers in? Well, you know, as I've just been saying, we had a series of moves made by the government to deregulate and open up the marketplace and make it more attractive. It didn't happen, so now they're just going to throw a big bomb into it – I think a columnist in the *Edmonton Journal* was using that same analogy – to just blow the thing up in the hopes that somehow something will happen here and that it'll work the way they want it to, to get people to turn towards something new. Albertans don't want to do that. Albertans seem to be quite happy with the two companies that they had and have not really been demanding that they get a lot of other choice.

That brings me to a different part of this, and that is the whole concept of choice, because it's interesting that in Alberta anyway I think you'd be hard-pressed to argue with success that there is a lot of choice. It's not as though people could say: nah, don't think I'll have any natural gas; I'll – I don't know – have an in-home fire-burning stove to heat my home in downtown Edmonton or Calgary or Fort McMurray. It's not really viable here. I know of people I've visited in the States; some of them do that. They still have a furnace in which they're using heating oil, actually, but they really only use that to sort of keep the pipes from freezing. They really do heat their homes. When you go to the local pub, it's heated with a wood-burning stove, and they're very focused on that as a way to get heat. But we're not focused around that here. We really are focused on natural gas. So to talk about the very first layer of choice, which is "don't buy it at all, and then it's not a problem," that's not really viable here in Alberta.

We think that choice assumes informed consent. It's not that people can't learn how to figure out how to buy at the right price and when to buy it, but, you know, it is pretty complicated, and prior to now we had very large companies buying long-term contracts,

allowing them to hedge prices. We had them with their own reserves, which were able to be pulled into use if they needed it. There were a lot of other components in place that allowed those companies to take the risk instead of Alberta citizens taking the risk.

The concept now that we're going to have someone show up at our door saying, "buy a contract from me; I'm with Direct Energy," for example, or "buy your electricity from me on a long-term contract; buy your gas from me on a long-term contract" – and this is not to say that Albertans are incapable of doing this. They are, but it is very complicated and requires that we set everything else aside in our lives and pay attention to this in order to get all the ins and outs of it. I don't have the time to do that, and I'm sure that lots of other people don't have the time or the inclination to do that. But that's the situation that we're being forced into. We're supposed to somehow become experts in spot prices for purchase of natural gas, and somehow this competition out there in the marketplace is going to make this easier for us. Well, having one more into the mix on top of the original two I don't think is going to make it that much easier.

An Hon. Member: It gives you something to think about when you're working a casino for your kid's school.

Ms Blakeman: It does give you something to think about when you're working a casino for your kid's school.

Now, what's interesting is that in a number of other areas the government has been very proactive in recognizing the need to educate and protect the consumer. There are a variety of consumer protection laws that are in place, and in fact they continue to be put in place. Every couple of years there's something new that we discover needs a law, and it's usually about complicated information being out there and a requirement that the companies put forward information. You know, there are even quite complex rules about door-to-door fund-raising.

I was thinking about that when I heard the hon. Member for Edmonton-Gold Bar's question in question period today about an elderly constituent that he had being approached at her door to purchase a long-term contract. In fact, if that person had been at that door soliciting funds for a charitable activity or agency, they would have been required to be wearing visible ID, to provide information on the spot, mind you, not "I'll get back to you in a week or two" or "I'll put it in the mail" but on-the-spot information about the organization, financial, the board members, and also an information sheet about the process of that kind of charitable fund-raising and solicitation at the door and what the person could be asked to do and not asked to do.

So it's pretty thorough, and we recognize it in a number of sectors, but we don't seem to be recognizing it in this one. I'm interested in the change in attitude, and I haven't heard an explanation as to why we get that deficiency, so maybe the sponsor of the bill will be able to answer that for me.

I wanted to speak very briefly, and on my next chance to speak, I'll expand upon this. It is the position that the condominiums in my constituency have been put in with these fluctuating prices and the effect that that has on the people that are the owners or who are living in these condominiums. Of course, they're a nonprofit society. They're required to present their budget to their members in advance. These people are working folks. They are not for the most part accountants or bankers. They have many different jobs, and they are struggling in many cases to be able to understand how all of this works, understand how to get the best possible deal on behalf of the people living in the condominium, and to be able to forecast all of this in advance to put it into their budget.

They're required by law to put forward what the fees are going to be for the upcoming year by a certain date, and I hear from a number of the treasurers of condominiums just before that due date about their frustration about not being able to nail a lot of this down. I'm now hearing from some that are quite frustrated that in fact they did sign long-term contracts when all of this started to go wacko on them, and they know now that they've signed too high. There was quite a scare at the time about how high things could go, so when they signed in at a certain level, they thought that they were doing a pretty good deal. These people are very conscientious. They're all volunteers, but they're very conscientious that they're doing this on behalf of their neighbours and in some cases their family and friends. They're trying really hard but without a lot of education being provided by anybody or any help to make fairly monumental decisions. So that's part of what I've looked for in this act, and what I'm not seeing is the consumer protection.

I look forward to my next opportunity. Thank you.

3:50

The Deputy Chair: The hon. Member for Innisfail-Sylvan Lake.

Mr. Ouellette: Thank you, Mr. Chairman. I've spoken on this bill three times already, so I think that I probably have said enough, but there're a few statements that were made today that I'd like to clarify again. Everybody seems to be talking deregulation here, and they should understand that gas has been deregulated for 17 years. It seems like most of the hon. members are straying so far off Bill 19, that is stating that, yes, it's the best of both worlds. They're going to have the choice of having a long-term contract, or they can stay on the spot market exactly the way it is today.

I have to disagree with some of the hon. members that say: long-term contracts just cost you more money. Even today the way the market has gone, the EPCOR and Enmax customers are happy to be on contracts. They're paying \$5 per gigajoule when the rest of us are paying \$9. So why would we say, "No, we're not going allow our constituents to go out and sign a contract and be on a budget that is affordable to them"? That's one thing that you don't have to be rocket scientist for. You don't have to sit back like that little mouse voice in corner over there saying: oh, it sounds dumb, dumb, dumb.

Ms Blakeman: That mouse voice?

Mr. Ouellette: No. Over in that corner.

Where was I? They should be allowed to go out and get a long-term contract and afford the budget that they sign the contract for.

Mr. Chairman, I'm not saying that there won't be some overly aggressive direct salesmen, but the way some of the members have been speaking from next door, you shouldn't be allowing them to your door. So maybe they should just bring a bill forward to disallow direct salesmen.

The biggest thing of this bill – and I just have to keep stressing that – is that they're going to have a choice of signing a contract to be able to afford the same monthly charge 12 months of the year instead of having the high spikes. If they want to play the market, if they believe the market is going to be low, then they have that choice to stay on the spot market and purchase their natural gas exactly like they're doing today. The one exception to that is the rural gas co-ops, and we're protecting the rural gas co-ops to stay in their franchised area. The only way that their customers can have a choice is by passing an extraordinary resolution, and two-thirds of their membership have to ask for that choice. Otherwise they stay on the contracts that the gas co-ops have now.

You know, I have to rebut a little bit the hon. Member for

Edmonton-Ellerslie when she was saying that long-term contracts weren't a good deal, but I remember QP today. I'm sure it was that hon. member that asked why the EUB was recommending . . . [interjection] Now you lost me again.

She was asking why the EUB was recommending that they didn't have to hedge. Well, if you want people to be able to hedge, then you also should want people to be able to have a contract because they go hand in hand.

I can't think of any other questions that came up today that I didn't answer, so thank you very much, Mr. Chairman.

Ms Blakeman: Well, the member was just talking about hedging. Hedging was available to us before, but the risk was assumed by the company, and now you're looking for risk to be assumed by the consumer. So I don't agree with what's being put forward here.

Look; part of this is being sold by the sponsor of the bill and others with, "Well, you'll have a consistent bill. You'll know exactly what you're going to pay." Well, guess what? I can do that now. It's called an averaging out. Every company has a different name for it, but, you know . . .

Mr. Ouellette: But you've got to pay the piper here right soon, because the averaging out isn't going to have worked out.

Ms Blakeman: Well, I can organize with – and they make it easy for me – my natural gas provider to have an averaged out price across the year. I know exactly what I'm going to pay every month. So that convenience as such is already available to me without me having to go out and figure out whether I'm getting a great contract or not. [interjection] Well, he's saying that I'm going to get a bill that's going to try and level that out. The truth of the matter is that the company that I've worked with has worked along with me. When they knew that the price was going up substantially and I could end up with a large lump sum payment at the end of the period of time, they contacted me and we worked out a higher price per month. I was okay and kept going on that.

The truth is that the only people that will really be able to take advantage of working the spot market are people that can have, you know, whatever, a thousand bucks sit in their bank account so that if the bill comes in at \$200 that month, great; fine. Two hundred bucks. If it comes in at 800 bucks, okay; fine too. But you have to have enough disposable income to be able to just let that money sit there and to be able to replenish that pot every day. There are Albertans that can do that quite comfortably, but there also are Albertans who can't do that and for whom it is most uncomfortable. Lots of people live paycheque to paycheque, and we should maybe chide ourselves because that's not the way we've been told by our accountants to do it. [interjection] You and I are a very bad combo because we talk to each other too much.

So a lot of what's being promoted in this bill is already available to me without having to go through what's being proposed here, and it strikes me that most of what we're actually talking about here or what I see happening is a philosophy over what this government feels it should be providing to its citizens and what it shouldn't be. It has an ideological bent towards the private sector and a free market. You know, that invisible hand seems to interfere in a lot of places and then sometimes needs a lot of help.

I'll be quite frank. I think that any time we're looking at provision of a service that if a profit margin decision would cause the provider not to offer it and not getting it would cause a health or a safety issue for citizens, then I think it has to be either owned in the public sector by government or heavily regulated by it. That's not where I see this government going. Okay. Fine. I'm a Liberal. I'm coming from a

different point of view, but I don't see what's being put in place here as being end run a good idea for the people of Alberta. So there's no question that this is a government bill. It's following a government ideology. It's that whole thing about, you know: push it out there; get the private sector to do everything. But what are we hearing right now? We're hearing that some of us have constituents for whom paying the bill is a real struggle for both gas and electricity, and this bill is looking at integrating the two. So there's an ideological difference here, but I just have not seen the government make decisions around this that end up being most beneficial to constituents.

4:00

Not to flog a dead horse here, but the primary example in this debate is what has happened with electricity prices and that drive to deregulate the electrical industry. Prices have gone nowhere but up, and everyone admits they will never go back to the level that they were at. Aside from price we're also talking about stability and certainty in a market. That is nowhere to be seen here. My friend here from Innisfail-Sylvan Lake, the sponsor of the bill, will be saying . . . Sorry; I've totally lost that train of thought. I'll have to turn this over to someone else while I collect my thoughts and come back to this.

Thank you.

Mr. Ouellette: I just want to answer that one more time by saying that I honestly believe she was almost speaking for the bill there, saying that we needed the stability of contracts, and I'd like to congratulate her on that.

The Deputy Chair: The hon. Leader of Her Majesty's Official Opposition.

Dr. Nicol: Thank you, Mr. Chairman. I just wanted to respond to some comments that were made just a short time ago about the relationship between hedging in contracts and our question that came up in question period today. The whole idea is a matter of the number of tools and the kind of tools that are made available for marketplace management. If we look at it in the context of what's going on here, true hedging in the legal sense of the word is when we pass the risk of marketplaces off to a third party, not the buyer or the seller, but a third party handles the risk. That's what hedging is all about.

When you have the possibility of dealing with pass-through or spot market pricing, what you're in effect doing is passing on the largest percentage of the risk to the customer, the consumer. So what we're doing in the process of deregulation is, in effect, setting up a structure that passes all the market risk to the customer, because when you have pass-through, or flow-through, pricing, there is very little if any risk at the marketer's or producer's level. So in order just to make sure that that point is understood and, in effect, reflects correctly on the question that we were asking in question period today, it's the idea that if we don't put all the tools in place, then we don't create any kind of a market system that will work.

All that is is a signal that the government, in effect, doesn't understand the marketplace they're creating and doesn't respect the fact that there are all kinds of tools that operate truly in an open market. When we say that we're going to have to deal with that, yet we'd limit it, it just shows me – and that's what was reflected in the questions that were asked in question period – that this government doesn't intend to do anything that would pass on to the customers any kind of stability or protection from price variation and price instability.

The idea that the EUB would not allow for hedging, in effect, made sure that the variability of the spot market or the flow-through pricing always ended up facing the customers. If they would have allowed that hedging, what in effect would have happened is that when the marketers were flowing through, the variability could have been adjusted for the revenue they made off the hedge, and that would have given some stability to the customers. In effect, the businesses in this province care more about stability for the customers or dealing with the stability for the customers than this government does, because they won't allow the businesses to put in place those kinds of hedging options, and they also won't allow for a viable price protection system that will work. That's why we've got a price protection system that operates on a yearly basis, yet our pricing model is based on monthly or flow-through monthly prices.

That, in effect, doesn't create any kind of a mechanism for protection for the customer because they don't make their decision on the same basis as the price protection act. They make their decisions based on the monthly flow-through price, and that's where the protection should be occurring. We've got to make sure that when we look at these, we deal with the whole system of commitment, making sure that there are processes in place that will protect the customer. After all, as a government it's the people of this province that we should be acting for.

Mr. Chairman, I taught in the Faculty of Management. We taught businesses how to look out for themselves, how to deal with the issues. Government's responsibility is to make sure that the externalities don't impact adversely on the consumers in this province. This act doesn't do it; the price protection act doesn't do it. This whole deregulation system doesn't do it, and we should stop it.

The Deputy Chair: The hon. Member for Edmonton-Riverview.

Dr. Taft: Thanks, Mr. Chairman. I made some comments on this during second reading, and I'm pleased again to speak to it in a bit more detail during committee. There are many issues that have come up, and many of them have been addressed here. Everybody in this Assembly will know that based on all the evidence that I've seen, the business that this province has embarked upon of completely rearranging both the electricity and the natural gas markets is a mistake. This business of aligning through Bill 19 the natural gas market with the electricity market to create what is being called a dual fuel market is a massive mistake.

In fact, I'm concerned that we are through these processes rearranging some of the fundamental strengths of Alberta's economy into fundamental weaknesses and that we are in effect corroding the long-term strength of our province and diminishing our future substantially here. We will not understand and realize the full consequences and costs of these decisions and these bills that we're passing for years to come, but we're already seeing the terrible playing out and terrible costs of the electricity deregulation, and we will see that played out substantially further through Bill 19 in the regulatory changes to the gas market.

I also worry – I listened to the comments of the Member for Grande Prairie-Smoky in which he spoke about the opportunities, as he put them, for businesses, marketing companies, and so on, to combine gas and electricity marketing and bring in other things. I think he mentioned insurance, auto breakdown services, undoubtedly credit cards, cable TV maybe, telephone, Internet access, and who knows what else. We could have one giant omniscorporation handling all of this. My prediction here is that the next item we'll be seeing brought into this kind of structure is water, and that scares me even more because water is the very substance of life.

4:10

As I went through the briefing notes provided by the government on this bill and went through some of the correspondence we've obtained on the bill, I noticed that various groups and corporations were consulted. EPCOR submitted extensive material, Direct Energy did, and Enmax did, at least. But one of my questions is, frankly: who was consulted, and who was listened to seriously?

An Hon. Member: On Bill 19?

Dr. Taft: I believe so, yeah. I'll check my correspondence. They were all quite keen on aligning the gas market with the electricity market through Bill 19, and I do have some of their correspondence in my files here.

I'm concerned about other people whose consultations either weren't sought or were not attended to. I'm looking at a report done by the Federation of Alberta Gas Co-ops among other things. They were also working with Gas Alberta Inc. on Bill 19. They submitted an extensive report, I believe, to the Alberta government on restructuring the gas market, and they expressed some real concerns. In fact, they came out quite bluntly and said that the federation and Gas Alberta Inc. do not disagree with the fundamental principles of enabling competition or providing customer choice and that under certain conditions and with certain commodities there can be intrinsic value in introducing competition. That's a point I've made many times. They go on to say that deregulation of natural gas has worked well at the wholesale level. That decision was made many years ago. They're quite clear here. In this report they say that it does not work.

Now, I stand to be corrected in later work from the Member for Grande Prairie-Smoky, but the discussion they're presenting here is quite clear. They're coming out raising very, very serious questions about natural gas deregulation and the added costs of bringing in the marketing structures and the new competitors, the advertising that's required for that, the much more complex regulatory regime that's required for this. They are raising concerns that the price of natural gas is actually going to go up. They do conclude with, I think, a very good question.

The Federation and GAI conclude this summary by repeating the question that has been repeatedly put to us by our customers and which we have been asking of government for some time. "Who is asking for these changes?"

That's the question that I, myself, asked some years ago when I was doing some analysis on electricity deregulation, and it's a question I find myself asking again when it comes to Bill 19 and the deregulation, as it were, of the retail natural gas market. Who is asking for these changes? I hear nobody in my constituency asking for these changes. In fact, the feedback I get from my constituency is that these changes are likely leading to higher prices. That's exactly the experience people have with electricity, and they're not looking forward to this business.

We've also had examples brought forward about the kinds of hassles and pressures that ordinary people are subject to from gas marketing companies. This province has had some very bad experiences with natural gas marketing companies in the past, and I can't imagine that anybody in this province, any consumer in this province is looking forward to being subject to more and more of those pressures again. People were perfectly satisfied with the system that was in place some years ago, and I would much, much prefer that this government leave well enough alone rather than being driven by ideology and by lobbying, and I have no doubt that there has been heavy, heavy lobbying going on to get a bill like Bill 19 put into place. In fact, some people have referred to this along

with Bill 3 as the Direct Energy bills because Direct Energy, part of a huge multinational corporate group, seems to be pretty well setting the agenda on this and pulling the government's strings so that legislation that they say will have to be put in place before they'll come into the market is – snap to it – put in place by this government.

It makes me wonder about the issue of a registry for lobbyists, and I won't go off there because I might get called on a point of order on relevance, but frankly in my view it's highly relevant. We need to know who is lobbying this government and who's getting paid to do so, because I suspect that a tremendous amount of lobbying went on behind the scenes with Bill 19.

I'm, frankly, concerned about regulatory changes for natural monopolies in other areas as well. I was recently talking, just two days ago, with somebody who does a tremendous amount of work, in fact has built a career out of doing regulatory work on telecommunications and the CRTC at the federal level and who was making the point that the CRTC in the last 20 years has gone from the best telecommunications regulatory body in the world to one of the worst. What has led to that judgment? What has caused that downfall? An unrelenting drive by the CRTC to force competition on a natural monopoly. He was making the point that CRTC rulings now are almost scoffed at across the board by people in the industry and in the know. I'm afraid we're heading in the same direction with the regulatory regime in Alberta's gas and electricity industries, and Bill 19 is going to accelerate rather than slow that down. We will be back over and over again to address the issues that are spawned by this bill.

So I'm quite clear in condemning this legislation. I'm quite clear in condemning this entire process. As an Albertan I'm worried that the future of my province is being eroded, that the economic viability of this province is being weakened, that the tremendous natural wealth that we have in Alberta is being drained out of this province as quickly as possible, and that the handmaiden to all of this is this government.

Those are my comments for today on Bill 19, Mr. Chairman, and I would encourage anybody to stand and participate. Thank you.

The Deputy Chair: The hon. Member for Edmonton-Rutherford.

Mr. McClelland: Thank you, Mr. Chairman. I'm pleased to accept the invitation of my friend from Edmonton-Riverview to participate in this debate because it's an extremely important debate.

The Member for Edmonton-Riverview indicated that there was perhaps some ideology behind this debate, behind the movement to deregulation, and I would suggest that there is perhaps some ideology behind the motivation to resist a move to deregulation or to a free market. As I had indicated briefly the other day in the House, for those of us who feel comfort and strength from the free market system, the notion of deregulation is not a fearsome thing. The notion of the private sector being the primary driver of a particular sector of an industry is not a fearsome thing.

We, of course, as a government have an oversight responsibility, and we need to ensure that the actions, particularly, as has been said, in businesses or companies that operate in a near monopoly or oligopoly status, do bear the scrutiny of those of us elected in the public interest. But the public interest is best served, in my view, through the initiative of the private sector, and there are very, very few, if any, goods or services that cannot be delivered at least as well, perhaps even better, by the private sector that are presently driven by the public sector.

4:20

Now, we as a government and as a province and as a nation have made the determination that there will be some aspects of our

economy that will be a combination of private and public. Some will be primarily public, and some will be primarily private. But when we come to the notion of the regulation of the delivery of energy, we are dealing with a product that has an absolute value, and that absolute value is not determined here in Alberta. It's determined because of the value of the commodity on a world market. We would all like to have our input costs protected so that we pay a lower input cost for our raw materials or our energy than any other sector. It gives us a competitive advantage. But what it doesn't do is give us any motivation at all to use that resource wisely, to use that resource as a finite resource, to put the real value of the resource directly attached to the product we're using.

Let me draw on the notion, for instance, of energy that's used in an automobile. If gasoline was 20 cents a litre, would there be any impetus on anyone's part to be frugal in the use of that commodity? I think, Mr. Chairman, that you will see innovation driven by the fact that Albertans are paying a market world price for energy. Innovation will drive conservation, will drive the efficient use, will drive new sources of energy so that we will have a critical path; for instance, perhaps into a hydrogen-based economy in the future. We are dealing with a resource that is finite, perhaps not in our generation, perhaps not even in our grandchildren's generation, but we cannot use the energy resources that we have today as if there is no tomorrow. There is a tomorrow, and that tomorrow will require us to be careful and conserve the products that we use. We should make as small a footprint on the world as we possibly can when we happen to be here in the world.

So with the notion of private initiative in the distribution of energy – and in this case we're talking about natural gas, but I think that in a greater vision we're talking about energy as a whole – we should not be afraid of the innovation that comes through private participation and ownership in a particular sector. We should embrace it. It doesn't mean we should go into it blindly, but we should go into it knowledgeably, carefully, considering all of the various avenues that we may end up going into, not abdicating our responsibility to act in the common good and in the public interest but with the confident resolution that the private sector has within it the capacity to deliver goods, services, and products at a level of efficiency and cost that just can't be done in an economy that does not have competition as its base.

So, yes, there is ideology here. There's ideology in that there are those of us in the House who believe in the private sector, and there is the ideology of those of us in the House who feel the comfort of the public sector. Yes, there is a divide there. That's why there are 74 members of that ideological divide that believe in the private sector compared with considerable fewer who are perhaps wedded to the notion that it must be the public sector that supplies everything.

An Hon. Member: How many?

Mr. McClelland: How many? Less than the 74 that are driving the notion that free enterprise will deliver a better product at a better price virtually every time.

Thank you, Mr. Chairman.

The Deputy Chair: The hon. Member for Edmonton-Riverview, followed by the hon. Member for Drayton Valley-Calmor.

Dr. Taft: Thanks, Mr. Chairman. I do appreciate the comments from the Member for Edmonton-Rutherford, and I'm happy in committee to jump up and engage in debate.

I'll start off by, well, challenging some of the premises of the

Member for Edmonton-Rutherford and some of the premises that underlie Bill 19. I've argued in this Assembly and in many, many forums that the marketplace at times is incomparably effective and successful, that competition in the right circumstances works very well to produce the most goods at the lowest cost. It is highly innovative. It's creative. It's even fun. As somebody who's written a couple of books, there is, I would argue, no more purely competitive market than the book market. You go into an average Chapters bookstore and there are over a hundred thousand titles in that bookstore. You put your book in there. You're up head-to-head with a hundred thousand competitors. It's pure competition, and I'm pleased for that, and the last thing I would argue for is for the government to run all our bookstores.

I am quite comfortable with the notion of competition and a marketplace and the private sector but where the evidence shows that it works. The world is full of evidence showing that in many cases it does work. Equally, the world is full of evidence showing that in other places for any number of reasons the market does not work. So we maybe in this Assembly have three different ideologies. I think we are all, ultimately, ideological or value-based creatures. From the comments from the Member for Edmonton-Rutherford, when it comes to values and ideology, at least with economics, he's been very clear. He said articulately that the public interest is best served by the private sector and made a couple of sweeping statements which I would like to challenge: that almost without exception – indeed, I think he went beyond – a private market will outperform a public delivery of services. On the other hand, the New Democrat members, I think, would be much more skeptical about the marketplace and indeed at times, without putting words in their mouths, might argue that a market is inevitably a rip-off, that profit – I may be corrected here, and this is the joy of debate – almost by definition is a rip-off of the value of a worker's labour.

My position and, I suspect, the position in the middle is that we don't want to look at the issues with this ideology. We want to look at an ideology that asks: what's the most effective way to meet our fundamental values of freedom and prosperity and equality of opportunity? Those are questions, I argue, that could almost always be answered on the basis of evidence.

4:30

So while a moment ago I argued about the wonders of the marketplace for books – it's not perfect, but it's very, very good – I would in the next breath argue that the marketplace is an abject failure when it comes to, for example, health care. I've argued this forcefully and, paradoxically, in one of my books, and the evidence is really very clear. I won't go into that evidence because we're not debating health care here. But we are debating energy deregulation, and the evidence is equally clear that when we deregulate things like electricity and natural gas, especially at the retail level, we're likely going to see a lot more problems than we used to have. In fact, that's exactly what's happened with the electricity business in Alberta, and I'm afraid that's what we're about to launch into in the natural gas business. So this is a situation where the evidence I've seen suggests huge, huge caution. We should not proceed in this direction. If anybody on the government side has substantial evidence to the contrary, I'd like to see it. I assume that it would be on paper, and I'd like to look through it, because ultimately I am prepared to accept the evidence.

I would point out to the Member for Edmonton-Rutherford that when we look at the impact of the public sector on the economy, if you were to look at the list of the largest corporations in Alberta in the *National Post* magazine of last year, you would find that four or five of the largest seven corporations have their roots in the public

sector. I'm going from memory here. CP: we all know the origins of Canadian Pacific, scandalous as they were. They were squarely in the public sector. EnCana, which was formed out of a marriage of Alberta Energy, which was created by this Assembly, and PanCanadian, which was a spinoff of CP. Petro-Canada and Syncrude: those are among the very largest corporations in this province. I think we need to bear in mind that at times the public intervention in the market does make sense. I could go on. I am not convinced that the price mechanism alone, which we will see unfurled further through Bill 19, is going to lead to the innovation and conservation that the Member for Edmonton-Rutherford and other government members assume will happen.

There is no doubt that price does have some effect on demand, and indeed I and I think all of us in the Liberal caucus, as much as we've argued for rebates on natural gas, do not see that as any more than a short-term solution. It does disrupt economics. But when I see the price of gasoline soaring and I still see the number of SUVs on the roads, I think that the link between price and consumption is less direct than we might assume it is.

So, Mr. Chairman, I appreciate the articulate comments from the Member for Edmonton-Rutherford, but he's probably shocked to know that he didn't change my mind. Thank you.

The Deputy Chair: The hon. Member for Edmonton-Rutherford.

Mr. McClelland: Well, thank you, Mr. Chairman. My friend from Edmonton-Riverview brought up a couple of very, very interesting points to make his argument. One was the competitive nature of the book-publishing industry, and I wonder if there is an industry in the country that is more heavily subsidized than the book industry in every single aspect. The book-publishing industry is perhaps the least free market industry and for some, I think, very understandable reasons, but just imagine trying to publish a book in this country without some public involvement of one form or another. I see friends laughing because they recognize the truth of that statement. At least, I assume they recognize the truth of that statement.

But another interesting point that the hon. Member for Edmonton-Riverview made had to do with the fact that he read an article recently in the *National Post* that indicated that four of the largest private-sector companies operating in Alberta today had their roots as public enterprises, and it's interesting that they grew from a public enterprise to a private enterprise driven by competition, driven by the market situation – and I can think of another one, Air Canada – driven by the necessity of getting capital. Members are laughing as they're thinking that Air Canada is perhaps not the most public of public companies at the moment.

Ms Carlson: They're not happy unless we're not happy.

Mr. McClelland: The Member for Edmonton-Ellerslie is commenting about Air Canada, and I can recall specifically when that decision was made federally that the head office of Air Canada should remain in Montreal forevermore. But, anyway, we digress. The point that I'm making is that the evolution from a public company to a private company is not new. It happens all the time, and essentially, I think, that's what's happening in our province and eventually will happen in our country as regards energy.

Now, Alberta had the resolution to see it through, and we're not right out of the weeds yet, but when we made the decision to go to a market economy in energy, it was by all accounts a gutsy manoeuvre. I mean, it was something that required unremitting resolve to see through to an end, and once started on a course of this nature, you don't change horses in midstream. You've heard the old

chestnut that you've got to leap a chasm in a single bound. The worst thing that we could possibly do would be to in any way waiver from our resolve to see this through. Look what's happened in Ontario, for instance, as a direct result of the fact that they started on the road to deregulation, got cold feet. Now they've got the worst of both worlds, and it is going to be forever.

Mr. Mason: A low price.

Mr. McClelland: The Member for Edmonton-Highlands says, "A low price." They don't have a low price. What they've got is a subsidized price through the tax base for the energy that they're consuming today because they don't have the political courage to see it through to the end.

At the end of the day Alberta will be in a deregulated free market environment where energy will be used in accordance with its value in our economy, with all of the virtuous habits that that will entail. It will also mean that private enterprise will have invested in the regeneration of new energy sources. We will have the efficiencies of new energy sources and, as the Minister of Energy has said on a number of occasions, the capacity to bring green energy onside. Now, we're paying more and making a conscious decision to pay more for green energy than we would be for natural gas energy, but we're looking at it as an investment in the future.

So, Mr. Chairman, there certainly is an ideological root to this debate, and that is not a bad thing. The ideological position that is presented by our colleagues representing the Liberals and the New Democrats toughens our argument. It makes us make sure we've crossed the t's and dotted the i's. That's what their role is. But make no mistake; in their heart of hearts even the opposition understands the wisdom of what we have embarked on as a province. We have the unwavering resolution and the unwavering courage to see it through to the end, and our grandchildren, all of us, one day will look back at these days and say: thank God they had the vision and the courage to see this through.

Thank you, Mr. Chairman.

The Deputy Chair: The hon. Member for Edmonton-Highlands.

4:40

Mr. Mason: Thank you very much, Mr. Chairman. Well, that certainly is breathtaking in its scope and gives tremendous target to aim at. I would like to begin by assuring the hon. Member for Edmonton-Rutherford that we are here to do more than correct your spelling. Hopefully, we can correct your policies as well.

Now, the member has begun his comments – not these comments, the ones before – by suggesting that the private sector is not a fearsome thing. Well, it may surprise him to know that we don't fear the private sector either, but we do think that there is an important role for government in ensuring that things work well, work fairly. And it may further interest the hon. member to know that we don't believe that private sector necessarily is the organization that provides things in the best possible way. The hon. member said on March 12 – and I'm quoting from *Hansard* briefly, Mr. Chairman. He talked about Margaret Thatcher, Britain's Iron Lady, and I responded that that was his patron saint, something which he accepted. He said:

My patron saint – thank you – who dragged the British economy and the British psyche out of the darkness of recession and despair into the sunshine of a renewed economy and renewed confidence.

And he went on to say what he considers to be the Rt. Hon. Margaret Thatcher's most cogent statement. He paraphrased it, and he said that

there is nothing done in the public sector using public investment

that cannot be done more efficiently and better by the private sector, bringing the full weight of innovation, industry, and vision to the delivery of goods and services.

He went on:

We would do well to learn from her, from her resolve, from her strength, and her vision.

Now, the statement that there is nothing done by the public sector using public investment that cannot be done more efficiently and better by the private sector goes beyond ideology. It is dogma. Frankly, Mr. Chairman, it is nothing but dogma, and we in the New Democrats are, of course, considerably more practical in our approach to the balance between the private sector and the public sector. There are things that are more appropriately delivered, in our view, by the public sector, or if they are delivered by the private sector, they need to be regulated in the interests of the public by government or by government agencies. Things that fall into the categories of natural monopolies are first and foremost because if it's not a publicly owned monopoly, it will very soon become a privately owned monopoly.

I'll take Air Canada, in the first place, as an example of how all of the wonderful promises for a sunshine of a renewed economy and renewed confidence comes to Air Canada. The hon. member was very eloquent that night, and I think that we could look at Air Canada as a perfect example of what happens when you take a publicly owned corporation, you privatize it, you promise that the service is going to get better, you promise that you're going to get more flights, you promise that prices are going to come down, and so on and so on and so on, and because there's limited capacity in the marketplace for true competition – that is, multiple players that compete with one another – it transforms itself into a monopoly situation, except it's now one that's for private profit instead of public profit and it's no longer regulated for the protection of the public. That's what we have with Air Canada.

Just to give another example. Right now my wife and I are involved in a battle with Telus company because we can't get our phone repaired. There's some problem with the phone that's lasted since last week. I'll just recount for members a little bit of what we went through with this competitive, lean, private-sector organization that really wants to deliver customer service. We can easily transfer to someone else who will be completely better than they are and cheaper and more customer oriented, you know, and all of the other things that were promised by those people who actually believe this stuff. We can hardly hear on our phone, Mr. Chairman, because there's such a loud buzz, and we don't know what caused it.

Dr. Taft: Maybe it's being tapped.

Mr. Mason: The hon. Member for Edmonton-Riverview suggests that it's because it's being tapped.

We had arranged for them to come and fix the phone on Friday, and since my wife and I both work, we'd arranged for them to stop at the neighbours', pick up the key, and come in. Well, the repair person came, got the key, went in the house, couldn't find the box where the repairs were going to be done, and instead of phoning us – and we'd left him our cell numbers – from the house to find out where to go to fix it, the repair person left the home, returned the key, went back to his office, then phoned us: I couldn't find the box. So that was Friday.

Then we called and we said: you've got to come and fix our phone on Saturday. Well, they didn't come. We stayed home all day. They didn't show up. Then we phoned again and said: you must come. They said: we'll come tomorrow; we'll come Sunday. So I stayed home most of the day, and by lunchtime I was getting pretty

fed up, and I phoned them and I insisted on talking to a customer service representative from Telus, who explained to me that because it just showed on the computer that we had noise on the line, we were a relatively low priority for them, so they probably wouldn't come because they had these other ones that were completely out of service. I said: "Well, we can't even use the phone. Why didn't you tell us that? You just let us stay home all weekend long waiting for you guys to come." So they said: "Okay. We'll change it. We'll come this afternoon." Well, they didn't show up.

On Monday, yesterday, we both went to work, and we came home. Attached to our front door was a little piece of cardboard, a note saying: we called to repair your phone, but you weren't home. We had of course given our cell numbers and tried to make arrangements.

So that is the customer service that people that are Telus customers are receiving. This was supposed to be a company that was going to be customer oriented, that was going to provide good service. You know, when it was Edmonton Telephones, Mr. Chairman, you got better customer service than you do now.

So what's happened is that they make all these promises about how the private sector is going to deliver it better and so on, and you don't really end up with much competition because in most of these fields you probably get two competitors at the most, maybe three if you're lucky, and they all have the same lousy customer service because none of them wants to spend a whole bunch more of the shareholders' money to improve it.

Now, the hon. Member for Edmonton-Rutherford talked about gas, and this is something that caught my interest a great deal. He's suggesting that we're paying a world price for natural gas, and that's a good thing because it means that we will conserve our natural gas and put it to the best and highest use. I think that's a fair paraphrase of what the hon. member has said. Except, Mr. Chairman, we don't have a world market for natural gas. We have a North American market for Alberta gas because the government has supported gas producers in the construction of the Alliance pipeline, which links Alberta's gas fields with American markets.

So what's happening is we are paying American prices for our own natural gas. Not only that, but we are pumping out the gas so fast that we have less than nine years of proven reserves. We are rapidly depleting Alberta's natural gas supplies. Most of the natural gas produced in Alberta is exported to the United States. I think the consumers of Alberta, not including the large industrial consumers in Alberta, consume about 15 percent of the natural gas produced in this province, but over 50 percent of the gas is exported in its raw form to the United States. So in order to achieve this wonderful international price that's supposed to help us conserve our gas, we have to pump out our gas or we won't have any left. How does that help us conserve the natural gas? Again, Mr. Chairman, it's just a matter of bringing some practical reality to the ideological constructs that we all have. I don't believe that we are in any way conserving the natural gas here in Alberta by exporting it much faster than we find new reserves.

4:50

It may well be that the move towards deregulation is a gutsy manoeuvre. I won't quibble that it's a gutsy manoeuvre. It certainly shows a lot of guts to carry on in the face of the mounting evidence that it's a disaster. But is that what you want? Do you want to just go ahead for the sake of being gutsy or courageous, or do you want to go and be courageous because it's going to benefit the people of Alberta? That's the kind of courage that we need to see, Mr. Chairman; I'm absolutely convinced. I would say, quite frankly, that it would show far more courage on the part of the government if it

would admit that it had made a disastrous mistake and changed its direction. That would show courage. But proceeding hell-bent for leather towards the iceberg is not showing courage as much as it's showing – well, I'll leave it to people's imagination what that would show.

Now, it's interesting, Mr. Chairman, that the Consumers' Coalition of Alberta has prepared some comments on this legislation, and I think it's worth quoting at some length from their concerns about this legislation. The Consumers' Coalition is very concerned that the proposed changes will result in two key problems.

1. Increased costs to customers and exposure of customers to new costs or costs previously not in the utility system,
2. Increased confusion to customers of natural gas distribution utilities and natural gas retailers.

The CCA views the proposed changes as

paving the way for the entry of retailers to replace the sales function of existing integrated natural gas utilities. This is change made rather than insure low cost utility services and stable rates to residential and other customers. The CCA submits that customers have not been and are not likely to be the principal driver of the proposed changes.

I think this is important. They're saying that it is not the consumers – it's not the customers – that want this. So why is the government doing it? Well, they say that they see

the industry driving the need to make these proposed changes so to allow participants in the industry, operating as commercial ventures, to add costs to the system at the expense of customers.

In other words, the objective here is not to provide cheaper gas, more reliable gas, or gas for longer in terms of availability of supply. The objective here is to allow more companies into the market and allow them all to make a profit. So it's not a natural free enterprise system; is it then?

What it is is it's a natural monopoly that artificially needs to be transformed by elaborate regulation to create the opportunity for additional players to come into the market, make money, and add cost to the entire system. So it's not free enterprise functioning free and natural and bouncing through the fields. It's actually a rather complicated artificial legal construction that allows companies to come in and pretend to compete with each other in order to milk the consumers. That's the kind of free enterprise that we're getting in our energy industry in this province.

I'm carrying on with the Consumers' Coalition of Alberta.

The exposure to new costs takes place when new entities or strata of entities, such as retailers, enter a market that was previously served by integrated utilities delivering and selling natural gas to consumers. Each new player or new strata will seek its return and this, we submit will add new costs to the whole system.

The proposed changes to the regulations are in our submission much improved over the first drafts circulated earlier in 2002. Having said that we are still very concerned that the drafts create a confusing scenario for the average consumer of utility services. Terms such as "gas services" and "gas distribution services" are too much alike to allow for ready distinction . . .

We submit that at the end of the day the utility customer understands the concept of a natural gas utility to be not just a bundle of services but all matters relating to home space and water heating as well as cooking in some instances. We see no evidence, from focus groups or surveys that illustrates otherwise. It remains unclear to us that the proposed amendments do little if anything to move toward clarity, certainty or ease of understanding for the natural gas utility customer.

Now, I agree with the hon. Member for Edmonton-Riverview.

An Hon. Member: Edmonton-Rutherford.

Mr. Mason: I always get you guys mixed up, and I don't know why. Your constituents. Your constituents.

An Hon. Member: They're both taller than you, Brian; that's why.

Mr. Mason: Yes; I know.

I guess I agree with him when he says that rebates in natural gas are not the ultimate answer, and we agree with that too. That's a subsidization of a high price, and ultimately you're subsidizing people that are charging you too much for your own gas. I don't agree with the hon. Member for Edmonton-Riverview when he says that it's a distortion of the market because I don't think market applies or should apply in this case, and I guess that's maybe why he's a Liberal and I'm not. I believe that the market is based upon supply and demand, and the Americans demand and we supply, and that is exactly the cause of the high prices that we have in our situation right now. As long as we are pumping the gas out so fast into the American market that it's rapidly depleting and having to pay their prices for our gas, we've got a situation where the gas that's owned by Albertans is not being used for their benefit. They derive an indirect benefit through the windfall profits of the provincial government from royalties on that natural gas, but that's not the same thing as making sure that the gas is put to the ultimate use of the people who own it, and that is the people of Alberta.

So, Mr. Chairman, just in conclusion, I think the direction that the government is going with respect to this is disastrous and will produce the same results for natural gas and natural gas prices as the government's experiment with electricity deregulation has produced in that case, where prices are continuing to go up. We've seen already with electricity prices that they have increased in the three years since deregulation between 40 and 100 percent, depending where you live. The place where it's gone up about 40 percent – I'm sorry; I think it's closer to 60 percent – is in the ATCO area. Now, with the move to flow-through pricing for electricity, the prices for April in that particular distribution area will be based on the prices from this March; that is, the prices we have today. So if you watch those prices – and you can look them up – they have exceeded for the past period of time 10 cents a kilowatt-hour, and if that continues for the rest of this month, then the people in the ATCO service area will be charged an increase on their electricity bills of 120 percent over and above what they are now paying, and that is going to be a disaster not just for those people but for the people representing them.

Thank you, Mr. Chairman.

The Deputy Chair: Hon. Member for Grande Prairie-Smoky, are you rising to speak?

5:00

Mr. Knight: Yes. Thank you, Mr. Chairman. Well, there certainly has been a lot of discussion here this afternoon about disasters. However, I think that it needs to be pointed out here that deregulation is not one of those. Deregulation isn't now nor will it be in the future a disaster. It's claimed to be a disaster because of the situation that we find ourselves in currently in North America with respect to the price of energy and whether or not it is the responsibility of the government to shield consumers from the price of energy. That's a bit of a global issue. It certainly is a North American issue, and we are tied into that system.

There are some disasters, however, Mr. Chairman, that do have effect on the price of energy in North America, and most certainly here we're discussing situations with respect to public utilities and private utilities and mixes of the two and where private utilities should get regulation from or where they shouldn't. Do we deregulate them, reregulate them? One of the disasters that we have seen recently is certainly the situation in Venezuela and the inability of

the Venezuelan system, public and regulated, to continue to supply a product into the marketplace. It caused a complete collapse of Venezuela's contribution into the North American energy picture. That was one of the disasters that caused a bit of a price spike with respect to hydrocarbon in North America. Certainly, the situation that we currently find ourselves in in the Mid East is another one. We do have some problems that we have faced over this last winter with respect to the weather that have pushed up the prices of natural gas.

Production shortfalls. The member indicated that there certainly were some difficulties with respect to production. In Canada the export market to the U.S. for us has not increased. The member suggested that we are rushing to export all of our gas into the U.S. market. The fact is that Alberta had a 3.5 percent decline in exports to the U.S. over the last year. For the continental U.S.A., interesting to note, their conventional production of natural gas also declined about 5 percent, which has added again to the high cost of energy over the period of the last two or three months.

However, Mr. Chairman, there is globally a surplus of methane. The problem that we have with methane is not that there isn't enough of it; it's just that it's in the wrong places. The technology with respect to transporting methane globally has made some huge strides in the last few years. Certainly, with the coming to the marketplace of a situation where we see some new technology with respect to glass fibre wound tanks being transported on oceangoing tankers very similar to the oil tankers that we now are familiar with, we'll be able to transport compressed natural gas, probably in the order of two bcf per trip. In the next 10 years I'm sure that we'll see this technology approaching North America's shores, and that, along with liquified natural gas that we have used for 25-plus years now globally, will help to stabilize the prices of methane in the marketplace over the next few short years.

So the disaster is not deregulation. Certainly, deregulation had at one point in time perhaps contributed, because there always is some uncertainty when you look at the changes in legislation required to do something as bold as deregulate these industries.

The other situation with respect to natural gas – and we're speaking, of course, about Bill 19, so it's maybe on topic to speak about the U.S. multifuel generation system. Of course, when Venezuela and the Mid East went a little bit crossways in recent months, natural gas became a fuel of choice not only for reasons of trying to comply with emissions, but also there's a shortfall in the crude required to fire some generating stations. When you connect that with the weather and the requirement for power on the U.S. eastern seaboard and the midwest United States, certainly it pushed up the requirement for natural gas. We saw a historic drawdown on the storage caverns both in Alberta and certainly in the U.S. system. There was about an 800-bcf drawdown, I believe, at the end of last month with respect to the U.S. system, and it will require a certain amount of activity in the industry in order to replace that capacity.

To get around to some of the questions more specifically with respect to Bill 19 and the provision of some sort of protection for customers and the idea that customers are going to be left holding the bag or that the situation with respect to choice is being forced on them, that they're not asking for the choice and they don't want the choice, that they just want a bill and they want a low bill – I would agree that not many of us appreciate bills that we consider to be out of the realm of kind of average, and they have been, certainly in the last two or three months, anything but average. In my own experience, I live on a farm a couple of hundred miles northwest of Edmonton. My average bill from a rural gas co-op over the last three years for the winter months has been about \$150 to \$175. Interesting to note that when I opened the last one, it was \$398, and

certainly the picture won't be any prettier with the next bill. However, on consultation it has been indicated to me that in this difficulty that we face, although we will have to pay for the energy we use, they will allow a system where we can spread our payments out over the next six or eight months, I believe, maybe till the end of September, to help ease the shock of these last few months of certainly high consumption because of the weather and high prices because of some of the things that we have indicated here earlier.

When you get back to the situation again with the rural gas co-ops and their request or not request to have choice, certainly the legislation here will deal with that. I believe that the hon. member had spent a considerable amount of time with a task force with respect to rural gas co-ops. They have reached an agreement that I understand the co-ops are reasonably happy with, and that is that in order for choice to be implemented in any particular rural gas co-op, it will take a two-thirds majority vote of a special meeting called by the board of directors for that specific purpose. So we're not forcing the choice on any rural gas co-ops. They do have a mechanism to bring in choice if they require it or want it.

5:10

There were some comments made with respect to the government of Alberta allowing some percentage – perhaps it was higher than 50 percent – of Alberta's natural gas to be exported in a raw state. That's an interesting comment because to the best of my knowledge I actually don't know of any gas that's produced in the province of Alberta that leaves our borders in a raw state. I'm kind of thinking about the export pipelines, and I think I have a reasonable picture in my mind where they are and where they go and what's in them.

If the member was discussing or commenting on gas that's in the Alliance pipeline – and I presume that that is the gas that you're speaking about – very interesting for you, perhaps, to take a look at where that gas comes from. In fact, none of that gas, that I know of, that's in the Alliance pipeline is raw gas. None of it. For the gas that is rich gas, the specs on the Alliance pipeline are slightly different than the specs on the other export transmission lines that leave Canada. Of the gas in the Alliance gas pipeline, depending on the day, between 60 and 80 percent belongs to the province of British Columbia. We have absolutely no control over what liquids they do or do not ship. The gas does not belong to Albertans. We have on any given day between 30 and 40, 45 percent of that gas, all of which is processed to some degree. So no raw gas, to my knowledge, leaves the province of Alberta, and those liquids are not sold outside of the province of Alberta to the benefit of other people, companies, foreigners, or others.

So, Mr. Chairman, those are a few comments that I have with respect to some of the debate and some of the issues that are surrounding the debate. Certainly, I think that we've had some good comments on both sides, and I would be pleased to hear a response from the members opposite with respect to Alliance gas and the price of – and let's be clear – methane in the marketplace in North America.

Thank you, Mr. Chairman.

The Deputy Chair: The hon. Member for Edmonton-Rutherford.

Mr. McClelland: Thank you, Mr. Chairman. I have just a few brief comments to add to this because my friend from Edmonton-Highlands was so eloquent, and he drove me to search for yet another quote, this time not from the patron saint, which I freely acknowledge, Margaret Thatcher, a woman of tremendous steel that, as mentioned earlier, almost single-handedly brought the British economy out of the depths of despair and darkness into the bright

sunshine of a better day. I see that it's bringing tears to the eyes of my friend from Edmonton-Highlands. My friend from Edmonton-Highlands also mentioned dogma and said that ideology is perhaps a step ahead of dogma and that those of us who would perhaps use dogma as a crutch would find our karma being eaten by our dogma. I don't think so, but I do think that straight reliance on ideology or dogma is a crutch that prevents us from having to think on our own about a particular subject that may be coming to the fore. It's our responsibility not to be trapped in the pit of ideology or dogma. That's why I would urge members opposite to consider the words of Thomas Jefferson, surely – surely – a hero of all democrats, democrats from either side of the aisle.

An Hon. Member: Old and New.

Mr. McClelland: Democrats old and new.

Thomas Jefferson, by the way, invented the angle on the plow, an interesting little bit of information for Trivial Pursuit fans. Thirty degrees is the angle, the optimum angle of a plow. Can you imagine the money that he could have made out of that? Except he felt that there are some things that man's ingenuity brings forth that belong to the common good. He was in charge of the U.S. patent office, and he did not take out a patent on that. He said it belonged to the common good. Quite a man.

One of the quotes that I'm sure my friend from Edmonton-Highlands will take comfort in and that will give him support as he goes into this deregulated world where he hears a buzz on his telephone, his alone:

If people let government decide what foods they eat and what medicines they take, their bodies will soon be in as sorry a state as are the souls of those who live under tyranny.

Now, of course, the context was entirely different at that time. When he made that quote, I would think that he was thinking more in terms of whether the food and the medicine they took were from a republican from the New World ideal or from the Old World.

As members know, that was part of the great debate when the United States really became the first modern democracy that gave individuals, regardless of their status, equal opportunity to succeed. That was the magic of the New World, I'm sure people would agree, and Thomas Jefferson was a bright light, a beacon of hope to many in the world. He placed economy and the capacity of the private sector to bring the best of whatever human ingenuity could bring to the table at the first of the capacity of the New World to be different from the Old World, to give opportunity to people because of their ingenuity and their own innate capacity and capability.

So when we talk about ideology and about a strength and a sense of faith in a free market, we don't do so blindly and we don't do so without the full knowledge that we serving the public have a fiduciary trust responsibility to ensure that the very misuse of an oligopoly or of a monopoly does not take place. We cannot allow ourselves to be so ideologically narrow that we would not think that an advantage that could be taken would be taken advantage of. That's why we have to be vigilant, and that's why this member, for one, salutes the opposition for ensuring that things don't just slip through.

I would encourage my friends opposite that when this debate is done, as surely it will be done – in a democracy we have the responsibility to try to bring others to our point of view. That's a cornerstone of democracy. We have the free and unfettered right to try to persuade others to our point of view, and at the end of the day if we are not successful, we have the obligation to join with the majority and go forward together. That's how democracy works. That's the foundation of democracy. If we don't do that, if we don't

see that we have the obligation after a debate to join with the majority and go forth together, then we are doomed forever to go into ever smaller, narrower groups of self-interest, and that is not the aggregation of interest that results in the public service being served.

5:20

Now, I know that my friends opposite, particularly the Liberals, understand the innate wisdom of those words because they are from an icon of the Liberals here in our country, Pierre Elliott Trudeau, who uttered those very words, that in a democracy we have the right and the responsibility to try to bring others to our point of view, and if we're not successful, we have the obligation to join with the majority in the common good.

I ask my friends opposite to join with the majority in the common good, and we'll go on to the next battle.

The Deputy Chair: The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Chairman. I would move that the committee rise and report progress on Bill 19.

[Motion to report progress on Bill 19 carried]

[Mr. Shariff in the chair]

Mr. Klapstein: Mr. Speaker, the Committee of the Whole has had under consideration and reports progress on Bill 19.

The Acting Speaker: Does the Assembly concur in the report?

Hon. Members: Concur.

The Acting Speaker: Opposed? So ordered.

The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Speaker. I move that we adjourn until 8 p.m.

[Motion carried; the Assembly adjourned at 5:23 p.m.]