

## Legislative Assembly of Alberta

Title: **Tuesday, October 18, 1994**

1:30 p.m.

Date: 94/10/18

[Mr. Speaker in the Chair]

head: **Prayers**

MR. SPEAKER: Let us pray.

As Canadians and as Albertans we give thanks for the precious gifts of freedom and peace which we enjoy.

As Members of this Legislative Assembly we rededicate ourselves to the valued traditions of parliamentary democracy as a means of serving our province and our country.

Amen.

head: **Statement by the Speaker**

### Commonwealth Parliamentary Association Conference

MR. SPEAKER: Hon. members, I would like to welcome you back for the continuation of the Second Session of the 23rd Legislature. Before we resume business, the Chair would like to share a statement with the Assembly.

As you may know, our province was the site of the 40th Commonwealth Parliamentary Association Conference, which concluded in Banff last week. Over 50 Commonwealth nations were represented, and for the first time in nearly three decades South Africa was involved in a Commonwealth Parliamentary Association Conference. The conference was an unqualified success, and all delegates have commented on the majestic beauty of our province. Over 400 parliamentarians attended the conference, with a total economic spin-off in the neighbourhood of 3 and a half million to 4 million dollars which accrued to this province. This year's conference focused on making our parliamentary institutions responsible, representative, and relevant. It was a timely and appropriate topic given recent international events.

On a more local matter our province was presented with a unique gift. The United Kingdom delegation made a special presentation of a gold sovereign coin. The gold sovereign commemorates the date on which Alberta officially joined Confederation as a province in 1905 and will be imbedded at one end of the Legislature's new Black Rod. The Black Rod will be constructed from a piece of ebony which is a gift from the Parliament of Sri Lanka and which is presently en route from Sri Lanka to our province.

The conference also represents the first time that an international Commonwealth Parliamentary Association Conference benefited from local private-sector sponsorship of services and events. All in all the conference was an overwhelming success. It provided parliamentarians from around the world an opportunity to exchange ideas on how we can make our democratic institutions more user friendly.

On that note let us continue with the Second Session of the 23rd Legislature.

Before doing that, the Chair would like to take the opportunity to note the presence in the Speaker's gallery of a Member of the Legislative Assembly of the island of Guernsey, one of the Channel Islands. I guess they're called deputies. Deputy Carol A. Fletcher is also president of their heritage committee and is a member of the executive committee of the Commonwealth Parliamentary Association for that branch. She was a delegate to this conference which concluded last Thursday in Banff, and I'd

like to ask her to rise and receive the warm greetings of our Assembly.

head: **Presenting Petitions**

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

MR. SAPERS: Thank you, Mr. Speaker. At this point I'd like to present a petition calling on the Legislative Assembly to maintain the Grey Nuns hospital as a full-service, active hospital and continue to serve all of southeast Edmonton and surrounding area.

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

MR. HAVELOCK: Thank you, Mr. Speaker. I'd like to present to the Assembly a petition signed by 60 Calgary residents urging the Legislative Assembly

to re-examine the three-year Business Plan and involve a greater number of stakeholder groups in their deliberations.

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

MR. HENRY: Thank you very much, Mr. Speaker. I would beg your leave to table a petition on behalf of Alberta residents. The petition urges the Legislative Assembly to ask the government to provide full support for early childhood services, or kindergarten.

head: **Reading and Receiving Petitions**

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

MS CARLSON: Thank you, Mr. Speaker. I would ask that the petition I presented on May 18 with regard to maintaining full funding for kindergarten now be read and received.

CLERK:

We, the undersigned residents of Alberta, petition the Legislative assembly to urge the government to continue funding kindergarten at the current level, allowing each and every child in Alberta the opportunity to receive 400 hours of kindergarten instruction.

MR. SPEAKER: The hon. Member for Edmonton-Beverly-Belmont.

MR. YANKOWSKY: Thank you, Mr. Speaker. I rise to request that the petition I presented on June 1 be now read and received.

CLERK:

We, the undersigned, petition the Legislative Assembly of Alberta to urge the Government not to alter funding arrangements for Alberta's Seniors Lodges and Seniors Subsidized Apartments until Seniors have been consulted and have agreed to any revisions to funding arrangements.

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

MR. SAPERS: Thank you, Mr. Speaker. I request that the petition regarding full funding for early childhood services presented to this Assembly on May 18 now be read and received.

CLERK:

We, the undersigned residents of Alberta, petition the Legislative assembly to urge the Government to continue funding kindergarten at the current level, allowing each and every child in Alberta the opportunity to receive 400 hours of kindergarten instruction.

head: **Notices of Motions**

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

MRS. BLACK: Mr. Speaker, pursuant to Standing Order 34(2)(a) I wish to give notice that tomorrow I'll be moving that written questions stand and retain their places on the Order Paper with the exception of Written Question 201.

Also I wish to give notice that I will be moving that motions for returns stand and retain their places on the Order Paper with the exception of motions 202, 203, 204, 205, 206, 207, 208, 209, 210, and 214.

MR. WHITE: Mr. Speaker, under Standing Order 40 I rise to give notice that at the appropriate moment I shall be reading into the record a motion that reads the following:

Be it resolved that the Legislative Assembly congratulate the Ital-Canadian Soccer Club of Edmonton for winning Canada's Challenge Cup, the national men's senior amateur soccer championship.

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

DR. PERCY: Thank you, Mr. Speaker. Pursuant to Standing Order 30 I served notice to your office two hours prior to the sitting of the Legislature that I intend to request leave to adjourn the ordinary business of this Assembly to discuss the urgent issue of the \$100 million loan guarantee authorized by the government of Alberta to Bovar Inc. on June 23, 1993.

MR. ZARIWNY: Mr. Speaker, pursuant to Standing Order 40 I intend to propose the following motion to the Assembly:

Be it resolved that the Legislative Assembly of Alberta congratulate the Edmonton Police Service on being awarded the Webber Seavey award for quality in law enforcement from the International Association of Chiefs of Police on October 17, 1994.

**head: Introduction of Bills**

1:40

**Bill 42  
Banff Centre Amendment Act, 1994**

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

MRS. BURGNER: Thank you, Mr. Speaker. I request leave to introduce Bill 42, the Banff Centre Amendment Act, 1994.

This Bill allows the Banff Centre to become more entrepreneurial and international in nature and less reliant on annual grants from government.

[Leave granted; Bill 42 read a first time]

MR. DAY: Mr. Speaker, I move that Bill 42 as just introduced be moved onto the Order Paper under Government Bills and Orders.

[Motion carried]

**Bill 43  
Students Loan Guarantee Amendment Act, 1994**

MR. ADY: Mr. Speaker, I request leave to introduce Bill 43, the Students Loan Guarantee Amendment Act, 1994.

This Bill changes the name of the Students Loan Guarantee Act to the Student Loan Act. It also clearly identifies the legislative authority for income-sensitive loans and provides the minister with the authority to enter into agreements respecting financial

assistance programs for students that is comparable to that of the federal minister.

[Leave granted; Bill 43 read a first time]

**Bill 44  
Advanced Education Foundations Amendment Act, 1994**

MR. ADY: Mr. Speaker, I request leave to introduce Bill 44, the Advanced Education Foundations Amendment Act, 1994. This being a money Bill, His Honour the Honourable the Lieutenant Governor, having been informed of the contents of this Bill, recommends the same to the Assembly.

This Bill allows the Lieutenant Governor in Council to establish a foundation for nonprofit private colleges.

[Leave granted; Bill 44 read a first time]

MR. SPEAKER: The hon. Member for Innisfail-Sylvan Lake.

**Bill 46  
Hospitals Amendment Act, 1994**

MR. SEVERTSON: Thank you, Mr. Speaker. I request leave to introduce Bill 46, the Alberta Hospitals Amendment Act, 1994.

This Bill amends the Alberta Health Care Insurance Act and the Hospitals Act to expand our government's ability to recover the cost of health services required as a result of injuries sustained through third party wrongful acts or omissions. This Bill recognizes the principle that our taxpayer-funded health system should not be subsidizing the costs of an individual's neglect or wrongdoing.

[Leave granted; Bill 46 read a first time]

MR. DAY: Mr. Speaker, I move that Bill 46 as just introduced be moved onto the Order Paper under Government Bills and Orders.

[Motion carried]

**Bill 47  
Safety Codes Amendment Act, 1994**

MR. DAY: Mr. Speaker, I beg leave to introduce Bill 47, being the Safety Codes Amendment Act, 1994.

This Bill will allow municipalities, if they so desire, or accredited agencies to collect certain moneys for the operations and functions of the Safety Codes Council, moneys which previously would have gone to the Department of Labour.

[Leave granted; Bill 47 read a first time]

**Bill 48  
Occupational Health and Safety Amendment Act, 1994**

MR. DAY: Mr. Speaker, I beg leave to introduce Bill 48, being the Occupational Health and Safety Amendment Act, 1994.

This Bill will clarify guidelines regarding definitions and responsibilities of principal contractors and also clarifies the reporting process of serious injuries and accidents.

[Leave granted; Bill 48 read a first time]

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

**Bill 50**  
**Corrections Amendment Act, 1994**

MR. HAVELOCK: Thank you, Mr. Speaker. I request leave to introduce a Bill being the Corrections Amendment Act, 1994.

This Bill provides the government with the ability to examine and test privatized prisons in Alberta and also contains some housekeeping items to update terminology and reflect current practice.

[Leave granted; Bill 50 read a first time]

MR. DAY: Mr. Speaker, I move that Bill 50 as just introduced be moved onto the Order Paper under Government Bills and Orders.

[Motion carried]

**Bill 51**  
**Liquor Control Amendment Act, 1994**

DR. WEST: Mr. Speaker, I request leave to introduce a Bill being the Liquor Control Amendment Act, 1994. This is Bill 51.

This Bill changes, among other things, the year-end date for the Alberta Liquor Control Board to avoid a three-month audit and therefore saves the taxpayers of Alberta money. It also sets the parameters and requirements for warehouse licensing in the province as well as establishing a level playing field for all people in the retail liquor business by establishing one class of licence.

[Leave granted; Bill 51 read a first time]

MR. SPEAKER: The hon. Member for Innisfail-Sylvan Lake.

**Bill 52**  
**Child Welfare Amendment Act, 1994**

MR. SEVERTSON: Thank you, Mr. Speaker. I request leave to introduce Bill 52, the Child Welfare Amendment Act, 1994.

This Bill provides for increased access to adoption information by establishing a search registry for adult adoptees. The Bill also streamlines the private adoption process.

[Leave granted; Bill 52 read a first time]

MR. DAY: Mr. Speaker, I move that Bill 52, the Child Welfare Amendment Act, 1994, as just introduced be moved onto the Order Paper under Government Bills and Orders.

[Motion carried]

MR. SPEAKER: The hon. Minister of Family and Social Services.

**Bill 53**  
**Social Care Facilities Licensing**  
**Amendment Act, 1994**

MR. CARDINAL: Thank you, Mr. Speaker. I'm requesting leave to introduce Bill 53 to amend parts of the Social Care Facilities Licensing Act.

Mr. Speaker, it is the intention of the government to amend the Act in such a way as to give parents in this province a greater choice in the range of child care options which are available to them.

[Leave granted; Bill 53 read a first time]

**Tabling Returns and Reports**

MR. KOWALSKI: Mr. Speaker, I'd like to table with the Assembly today a copy of a report on a recent visit to Mexico and Arizona as well as copies of the fall edition of Alberta's opportunity and advantage magazine, *Venture*.

MR. KLEIN: Mr. Speaker, I'm pleased to table a report on my recent visit to Toronto; Ottawa; Sherbrooke, Quebec; Halifax; and St. John's and the cost.

*1:50*

MR. DINNING: Mr. Speaker, in the interest of providing maximum information to all members of the Assembly, I have for you today the Audit Committee report pursuant to section 8 of the Deficit Elimination Act, the 56th annual report of the Alberta Treasury Branches, the annual report of the Alberta Securities Commission for the year ended March 31, the annual report of the Alberta heritage savings trust fund for '93-94, the quarterly investment report of the heritage savings trust fund for the quarter ended March 31, 1994, the public accounts, volumes 1, 2, 3, and 4, for the year ended March 31, 1994, and a first quarter update on the progress that this province is making in tackling its deficit for the quarter ended June 30, 1994.

MR. JONSON: Mr. Speaker, it's my pleasure to table in the Legislature today two documents. I have the privilege to present the Premier's Council on the Status of Persons with Disabilities 1993-94 annual report. As well, I would like to table the Alberta home education regulation. Additional copies of these documents are available through my office.

Thank you, Mr. Speaker.

MR. SPEAKER: The hon. Minister of Transportation and Utilities.

MR. TRYNCHY: Thank you, Mr. Speaker. I wish to table the response to motions for returns 196 and 197.

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

MR. HENRY: Thank you very much, Mr. Speaker. I'd like to table the four requisite copies of a document prepared by the Liberal opposition indicating that if the government had not given a \$100 million loan guarantee to Bovar, they could have used that money to provide 40,000 children a full ECS program for four years.

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

MR. SAPERS: Thank you, Mr. Speaker. I rise today to present two tablings to the Assembly. The first is four copies of a calculation prepared by the Alberta Liberal caucus which indicates that if \$100 million had not been spent on the Bovar loan guarantee, it could have paid for an almost unbelievable 6,666,667 home care visits in this province.

In addition I'd just like to table, Mr. Speaker, four copies of a resolution passed by the Glenora Parent Teacher Association urging the Legislature of the province of Alberta to amend the Alberta School Act to mandate the right of access to fully funded kindergarten programming to a minimum of 400 hours per child per school year.

MR. MITCHELL: Mr. Speaker, I would like to table a resolution passed by the Ormsby school parent advisory committee urging that the Legislative Assembly of Alberta amend the School Act to mandate the right of access to fully funded kindergarten programming to a minimum of 400 hours per child per school year.

MR. SPEAKER: The hon. Member for Sherwood Park.

MR. COLLINGWOOD: Thank you, Mr. Speaker. I'd like to table with the Assembly today four copies of a schematic diagram of the water cycle. This is for the benefit of the Minister of Environmental Protection. It illustrates that drinking water falls from the sky.

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

MS LEIBOVICI: Thank you, Mr. Speaker. I would like to table today some calculations prepared by the Alberta Liberal caucus that indicate the following: if \$100 million had not been spent on the Bovar loan guarantee, at least 2,000 nursing positions, 1,000 in Edmonton and 1,000 in Calgary, could have been saved this year.

MR. ZARIWNY: Mr. Speaker, I rise today to table calculations prepared by the Alberta Liberal caucus that indicate that the \$100 million the government spent on the Bovar loan guarantee would have hired 3,195 police constables right across the province.

MR. SPEAKER: The hon. Member for Edmonton-Beverly-Belmont.

MR. YANKOWSKY: Thank you, Mr. Speaker. I rise to table four copies of calculations prepared by the Alberta Liberal caucus which indicate the following: the \$100 million the government spent on the Bovar loan guarantee would have guaranteed Alberta's 233,000 seniors an additional three years of coverage under the extended health benefits program, which contributes towards the purchase of dentures and prescription eyeglasses.

MR. SPEAKER: Hon. members, pursuant to the Election Finances and Contributions Disclosure Act I am pleased to table with the Assembly the 17th annual report of the Chief Electoral Officer. A copy of the report was distributed to Members of the Legislative Assembly on June 9, 1994.

Hon. members, I'm also pleased to file with the Assembly the Ombudsman's own review of Alberta Family and Social Services' investigations of licensed day care centres. Members received a copy of this review on June 27, 1994.

head: **Introduction of Guests**

MR. KOWALSKI: Mr. Speaker, in the members' gallery today are a group of grade 6 students along with some of their adult leaders from Neerlandia school. I'd like to introduce to the Assembly today their group leader and teacher Jim Bosma and a number of parents and helpers who've accompanied these young children to Edmonton today: Mr. Andy Tuininga, Mr. Alfred Tuininga, Mrs. Pearl VanderLugt, Mrs. Marion Rayment, Mrs. Margaret Krikke, Mrs. Diane Wierenga, Mr. Andy Wierenga, Mr. Albert Tiemstra. They're accompanied by a very special person, a 4 year old, Julianna Bosma. They're all in the members' gallery. You'll find that they're smiling today and very

happy to be here, and I'd ask them to rise and receive the warm welcome of the Assembly.

MR. SPEAKER: The hon. Member for Leduc.

MR. KIRKLAND: Thank you, Mr. Speaker. It's my pleasure this afternoon to introduce to the Assembly in this Second Session of the 23rd sitting 37 students from the Willow Park school who are visiting the Legislative Assembly. They're seated in the public gallery. They're accompanied this afternoon by teacher/bus driver Rod Howard, parent helpers Jim Laskosky, Debbie Regehr, Fiona Whaley, Darcy Wetter, and assistant Angela Howard, and I would ask the Assembly to give the students and teachers and parents a warm welcome this afternoon.

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

MR. DECORE: Thank you, Mr. Speaker. It's my privilege to introduce in fact 22 individuals from Edmonton-Glengarry. These men and women are part of a very effective political action group. Upon my discussion with you, Mr. Speaker, you've asked me not to name them individually, but I can tell you that they're made up of managers and health care specialists and seniors and educators and the cross section that would exist in most constituencies. It's with great pride that I would ask those people from Edmonton-Glengarry, the action group, to stand and to be welcomed by the members of this Assembly.

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

MS CARLSON: Thank you, Mr. Speaker. It's my pleasure today to introduce to you two constituents of mine who are joining us. The first one is a young fellow from the constituency who is very concerned about the speed and the process by which the government is undertaking these cuts. His name is Robert Lutener.

The second one is a long time volunteer and good friend of all of us here in this party, and that's Dorothy Brusseau. I would ask that they both rise and receive the traditional warm welcome of this House.

MR. SPEAKER: The hon. Member for Edmonton-Beverly-Belmont.

**2:00**

MR. YANKOWSKY: Thank you, Mr. Speaker. I have two groups to introduce today, and it is an honour for me to rise and introduce them to you and through you. The first group I'd like to introduce is four seniors representing various seniors' action groups including Action Canada. They are Phylis Matousek, Grace Diedricks,\* Irene Payne, Jack Grant, and Lynne Arling. They are seated in the visitors' gallery, and I would like to ask them to please rise and receive the very warm welcome of this House.

The second group I'd like to introduce is 26 students from the Kirkness school, which is located in my constituency. They are accompanied by their teacher Lorna Walker and parents Mrs. Van Essen and Mrs. Honey. They are also seated in the visitors' gallery, and I would like to ask them at this time to please rise and receive the very welcome of this House.

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

MR. HENRY: Thank you very much, Mr. Speaker. I would like to introduce to you and through you to members of the Assembly

\*This spelling could not be verified at the time of publication.

a constituent of mine who has come to watch the proceedings today. Mr. Mark Boré\* is in the public gallery I believe. If he could rise and receive the warm welcome of the Assembly.

Thank you.

MR. SPEAKER: The hon. Member for Clover Bar-Fort Saskatchewan.

MRS. ABDURAHMAN: Thank you, Mr. Speaker. I'm very pleased to introduce to you and through you to the Assembly a very well-respected gentleman within my constituency in the city of Fort Saskatchewan, a well-respected educator: Michael Alexandruk. I'd ask you to please extend a warm welcome to him.

MR. SPEAKER: The hon. Member for Lesser Slave Lake.

MS CALAHASEN: Mr. Speaker, it gives me great pleasure today to introduce two individuals who are from the Edmonton-Manning constituency who are here to see the dynamics of the Legislature. They are definitely very young and dynamic people. They are sitting in the members' gallery. Their names are Tom Lukaszuk and Andrew Holko. I'd ask that they stand and receive the warm welcome of the Assembly.

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

MS LEIBOVICI: Thank you, Mr. Speaker. It gives me great pleasure today to introduce to you and through you two constituents of mine who are seated in the public gallery I believe. They are Arlie and Ann Smith. If they would please rise and receive the warm welcome of the Assembly.

Thank you.

MR. SPEAKER: The hon. Member for Leduc.

MR. KIRKLAND: Thank you, Mr. Speaker. I'll beg your indulgence one more time to introduce a resident of Leduc and a friend of mine who I've just noticed is in the gallery this afternoon. I would ask that Al Zimmerman stand and receive the warm welcome of the Assembly this afternoon.

MR. SPEAKER: The hon. Member for Redwater.

MR. N. TAYLOR: Mr. Speaker, I'd like to introduce a person who's sitting in your gallery who has obviously weathered the summer: the NDP leader, Ross Harvey.

head:

### **Ministerial Statements**

#### **Electric Energy Marketing**

MRS. BLACK: Mr. Speaker, on this first day of the fall session I am very pleased to advise hon. members that the government has made significant progress recently toward achieving a solution to what has proven to be a very difficult issue for stakeholders and Albertans. I am referring to electricity and the Electrical Energy Marketing Act, or EEMA as it has come to be known to us. On previous occasions I made a commitment in this House that the government would deal with the electricity issue in a fair-minded and consensus-building way. The government is now close to achieving this goal. With the support and the co-operation of all MLAs and the continued goodwill of the major

stakeholders who have been working intensively with the government over the past several months, I am optimistic that we will be able to take the next final steps.

As hon. members are aware, over the past four years there has been considerable discussion both in this Legislature and throughout the province on the merits of EEMA, particularly its averaging mechanism for generation and transmission costs. Arguments both in favour and against EEMA have been put forward, sometimes aggressively but certainly always passionately.

The discussions surrounding EEMA have taken place at a time when everyone associated with the electric industry recognizes that the electric systems in other jurisdictions are being reviewed to identify changes to increase efficiency and competition and to take advantage of new business opportunities. Put more succinctly, electric systems in other jurisdictions are reassessing and restructuring their electric systems. What began in Alberta as essentially a discussion about EEMA became a far wider discussion about Alberta's electric system generally. It is understood that any changes to EEMA or to Alberta's electric system must take into account the changes that are occurring in other parts of Canada and in other jurisdictions, particularly those with whom we trade.

Alberta's electric system has proven to be a reliable supplier of relatively low-cost electricity. Albertans pay among the lowest electricity costs in Canada, North America, and the world, an extremely important component, Mr. Speaker, of the Alberta advantage. The government's objective throughout its discussions with stakeholders is to retain and build upon the most positive features of our existing electric system, including reliability and low consumer costs, while positioning the industry to become more competitive as we move into the next century.

In consultation with the standing policy committee on natural resources and sustainable development I directed staff in the Department of Energy several months ago to form a steering committee of major stakeholders to review Alberta's electric system with a view to achieving two broad goals: one, to find a replacement for the current EEMA cost averaging mechanism that is fair from a provincewide perspective and, secondly, to introduce industry structure and regulatory reforms that preserve and enhance the Alberta advantage of reliability and competitive costs.

Mr. Speaker, the stakeholder groups represented on the steering committee and my department staff are to be commended for their perseverance and their diligence. The steering committee members include representatives from the Alberta Association of Municipal Districts and Counties, the Department of Energy, the Alberta Federation of Rural Electrification Associations, Alberta Power Limited, the city of Calgary electric system, the city of Medicine Hat, Edmonton Power, the Environmental Law Centre, the Industrial Power Consumers Association of Alberta, the Independent Power Producers Society of Alberta, the Northern Alberta Development Council, the Public Institutional Consumers of Alberta, and TransAlta Utilities Corporation.

The discussions these past months have not been easy. In fact, they were very difficult at times. But in the end the steering committee members were able to come to a consensus view. They have done so in the interests of what is best for all Albertans and our entire province. The task I gave them was difficult, but they have achieved it, Mr. Speaker. I applaud their efforts and would like to publicly thank each member of the steering committee.

I have also discussed the proposals with members of the Mayors Advisory Committee, a committee I established in January of last year. It includes the mayors of the cities of Calgary, Edmonton, Fort McMurray, Grande Prairie, Lethbridge, Lloydminster, Red

\*This spelling could not be verified at the time of publication.

Deer, and the town of Peace River. It also includes the leaders of the Alberta Association of Municipal Districts and Counties and the Oldman River Regional Planning Commission.

Mr. Speaker, the elected municipal leaders on the committee believe the package of proposals is ready to be released. What we now have is a consensus view of the stakeholders regarding the action the government and this Legislature should take. At this stage, the proposals constitute the recommendations of the steering committee members. The proposals are outlined in a report prepared by the Department of Energy, which I will now file in the Legislature and which today is being distributed to the organizations who had members on the steering committee as well as to a wider audience of stakeholders. Those wishing to comment further on the proposed changes are being asked to submit their views to the Department of Energy by November 18. This further input will be very carefully assessed. The government, true to its commitment, will announce its intentions regarding changes to the electric system before the end of the year.

Mr. Speaker, I am asking every MLA to approach the proposed changes from the perspective of what is in the overall best interests of all Albertans. There are times and there are issues when everyone must give a little to achieve something for the whole. This issue must be dealt with. It has gone unresolved for more than four years. I ask all members of this House, for the greater good of all Albertans, to show leadership and a spirit of nonpartisanship as they consider the changes in the proposal.

Thank you.

## 2:10

MRS. HEWES: Mr. Speaker, I welcome the minister's statement and look forward, along with my caucus, to receiving the report that your stakeholders have found a consensus on. Also we look forward to the input that you anticipate before the 18th of November and to seeing the final proposals that the government will make before the end of the year.

The Alberta Liberal opposition has consistently supported the broad policy goal of eliminating disparities in power rates across the province. We also recognize the need to restructure electricity policy and to find a replacement, Mr. Speaker, for the current EEMA that is fair and to respond to the realities of today's competitive marketplace. However, we must ensure that there is fairness and equity so that all Albertans can benefit from the important role that electricity policy plays in Alberta's economic development strategy.

We are supportive of the broad consultative process that the minister has put in place regarding the restructuring, and we realize that this is a contentious issue. We do support a private-sector resolution to the issue and hope that the resulting policy fulfills the objectives of competitiveness, equity, and fairness that are crucial to a broad-ranged economic development strategy for our province and for enhancing the Alberta advantage.

We wish, Mr. Speaker, that the provincial government, however, had shown some more foresight and leadership by restoring the provincial income tax rebate to privately owned utility companies. The ill-fated decision by the government to eliminate this rebate in 1990 has increased the electricity bill of consumers by on average 5 percent. Please show leadership on this issue, Madam Minister. Restore that rebate, increase Alberta competitiveness. If you don't, I believe we risk the federal government reducing or eliminating the rebate of federal income taxes to private utilities under the Public Utilities Income Tax Transfer Act. The elimination of the federal portion could have a devastating impact on the Alberta economy. We hope the minister will take action in this regard.

## Trade Mission to Mexico

MR. KOWALSKI: Mr. Speaker, it's my pleasure today to report on the recent visit to Mexico and to Tucson in Arizona.

October is export month, and trade is essential to Alberta's future and prosperity. Mr. Speaker, on January 1 of 1994 the North American free trade agreement created the largest trading block in the world: 370 million people, \$7 trillion in gross domestic product, over 40 percent higher than the European union, and almost one-fifth of all trade on earth. The North American free trade agreement opens up a Mexican market of 90 million people. Over 10 years Mexican tariffs will decline to zero for all products, providing Alberta companies with exciting opportunities for increased trade.

Mexico's energy industry has the fifth largest known reserves of oil and gas in the world, and state-owned Petroleos Mexicanos is investing up to \$3 billion American annually to modernize and expand. Opportunities also exist in environmental protection and waste management, processed foods, distance education, telecommunications, and tourism.

Alberta's exports to Mexico increased 13 percent in 1993 to more than \$86 million. Figures for the first six months of 1994 show an increase of 72 percent over the same period in 1993. Mr. Speaker, this places Mexico firmly in our top 10 national export destinations, and it's climbing. In the last year and a half interest by Alberta businesses has increased six times with close to 600 firms working, pursuing business, or enquiring about opportunities in Mexico. Continuing this government's philosophy of working in partnership with Albertans, several Alberta companies played a key role in the Mexico visit and participated in portions of the program. Each of these participants paid their own costs for the entire trip.

One of the most important aspects of our visit was the opportunity to build personal relationships with the Mexicans. I was honoured to meet with three Mexican governors, Mr. Speaker: Patricio Chirinos of Veracruz, who was a former campaign manager for current President Salinas in Mexico; Maximiliano Silerio of Durango; and Manlio Fabio Beltrones of Sonora, a key proponent behind current incoming Mexican President Zedillo. These meetings were vitally important in establishing good working relationships with the Mexicans.

Mr. Speaker, there are several accomplishments of my visit that I'd like to point out. First of all, we established Mr. Brian Westlund, Alberta's director of Mexico, as the official liaison between Pemex and Alberta companies. This is the first time in our history that we have an Albertan who will have direct access to tender documents and bid packages for distribution to Alberta companies in Alberta provided to us by Pemex. Secondly, we introduced Alberta's environmental sector to Sedesol, Mexico's environmental secretariat. Thirdly, we supported initiatives undertaken by Alberta companies that have already established a presence in Mexico. Fourthly, we signed a memorandum of understanding with the state of Durango which provides a window of opportunity for Alberta's agriculture, distance education, forestry, environmental, and tourism sectors. Fifthly, we established a basis for future trade developments between Alberta and Veracruz, Mexico's major oil state.

We had an opportunity to promote the Alberta advantage to over 500 Arizona and Sonora decision-makers and businesses at the annual Arizona-Mexico Commission Conference. We explored the concept, Mr. Speaker, with Arizona Governor Fife Symington and Sonora Governor Beltrones of the possibility of expanding and developing the CANAMEX corridor. The CANAMEX corridor is not the building of a new highway. It

essentially involves establishing uniform standards and regulations of load restrictions on existing highway links to a new standard, and the result of the CANAMEX trade and transportation corridor would be a reduction in freight costs from Alberta and Canada and lower prices in Alberta and participating jurisdictions.

As well, we spent time with Dr. Juan Arizmendi, the Secretary of Rural Development in the state of Durango, and I am pleased to report that since this meeting the state of Durango has announced an incoming mission to Alberta in early 1995.

Mr. Speaker, we've set a goal of increasing exports to \$24 billion annually from Alberta by 1996. Increasing trade with Mexico is an important part of reaching our target.

Mr. Speaker, earlier today I tabled a report on my visit to Mexico and Arizona, and by the end of December of this year I intend on providing a more detailed trade strategy for Mexico, scheduled to release it. There are tremendous opportunities. I'm absolutely convinced that within the next two years we can double our exports to Mexico from the province of Alberta.

MR. SPEAKER: The hon. Member for Calgary-North West.

MR. BRUSEKER: Thank you, Mr. Speaker. I'd like to thank the minister for tabling his report so quickly after we returned to the Legislature, this being the first day, and telling us about his recent trade mission. I am pleased to see that the trip was shortened appropriately to include just the important destinations and to leave some of the other ones out.

Mr. Speaker, certainly with the advent of NAFTA there's no doubt that the opening of Mexico as a trade market for Alberta and Canada is important, and certainly we agree with the department's just-mentioned goal to increase Alberta's exports to \$24 billion. Certainly that's an appropriate step by 1996. I am pleased that the minister just mentioned that by December we'll have a detailed strategy because currently we haven't seen that detailed strategy as to how that goal will be achieved. It's nice to have goals, but it's important to have realistic ones.

Mr. Speaker, I'm concerned a little bit about these trips though. The minister listed a number of individuals with whom he met, but we're concerned that there's no means in place at this time apparently to measure the effectiveness of the trade missions and even in fact the costs of going on this trip in terms of the details. We have to determine what the value is to Albertans when ministers go on a trade mission such as this. The minister of agriculture is currently off in Russia; this minister just returned from points south. If these trade missions are indeed such valuable endeavours, then it's important that the itineraries be released beforehand, not once the minister is on the aircraft, and that the itinerary is clearly articulated to Albertans so that we know what we're getting, particularly in times of these cutbacks.

2:20

Mr. Speaker, the minister as recently as yesterday mused about renting space in Mexico City to set up a trade mission there. Well, currently this government already spends in excess of \$5 million on trade offices around the world, and Albertans need to know where that money is going. We in this caucus have asked for a detailed accounting as to the value and the efficacy of having those offices. The government needs to put in place a tracking system so that we as Albertans know that we're spending the money wisely and that in fact it will promote this province, which is what we're all about.

Thank you.

MR. SPEAKER: The hon. Minister of Community Development.

## Persons Day

MR. MAR: Thank you, Mr. Speaker. I'm pleased to inform the Assembly that today, October 18, is Persons Day and that October is Women's History Month. Persons Day is now observed across Canada. It recalls and celebrates the date in 1929 when the Privy Council, then the highest court in Canada, ruled that women were persons and eligible to sit in the Senate of Canada. Prior to that time British common law ruling stated that women "are persons in matters of pains and penalties, but are not persons in matters of rights and privileges." Until the Privy Council ruling in 1929 our federal government had refused to appoint women to the Senate on the grounds that they were not persons under that interpretation of the common law.

As an Albertan I take pride in the fact that it was five Alberta women who chose to challenge that interpretation. Henrietta Edwards, Nellie McClung, Louise McKinney, Emily Murphy, and Irene Parlby petitioned the Privy Council in 1928 and received their landmark ruling the following year. I'm sure that all Albertans share that pride and a determination to follow the example of the famous five in ensuring that no Albertan will ever again be in the position of carrying the burden of pains and penalties without the benefits of rights and privileges.

Canadian women are leaders and achievers in all walks of life, and I would like to recognize a few of them today. They represent many thousands of women who are working hard at creating a world of equality: Cecilia Johnstone, Edmonton, the first woman president of the Canadian Bar Association; Marg Veno, Alberta farm woman of the year in 1993; Phyllis Arnold, Edmonton, head of Arnold Publishing and Canadian entrepreneur of the year in 1992; Catherine Fraser, Edmonton, the first woman chief justice of a provincial Court of Appeal, appointed in 1992; Doreen Orman, Calgary; Geraldine Bailey, Westeros, and Nellie Mildred Carlson, Edmonton, recipients of the Governor General's awards in commemoration of the Persons Case in 1992, 1990, and 1988; Martha Bielish, the first woman Senator from Alberta, appointed in 1979.

It is appropriate that we should open a sitting of this Legislature on the 65th anniversary of the Persons Case ruling, and I call upon members of this Legislature to join me in celebrating Persons Day and all the achievements of women throughout the province of Alberta.

MRS. HEWES: Mr. Speaker, I'm pleased and honoured to respond to the minister's statement, and I thank him for it. I think it certainly described the events that gave rise to this very special occasion today.

Mr. Speaker, five courageous Alberta women, five women who were housewives, were mothers, were community advocates, were people who cared about children and families and who'd worked very hard in their communities: when Judge Emily Murphy was challenged, she surrounded herself with four other intrepid women, and off they went. The Supreme Court of Canada denied them, but they were undaunted. They went to the Privy Council, and the Privy Council thankfully overturned the Supreme Court's decision and women have been persons from that day forward.

Mr. Speaker, I'd like to be able to read into the record a statement by Nellie McClung, 1915, who was one of the women. Nellie says:

These tender-hearted and chivalrous gentlemen who tell you of their adoration for women, cannot bear to think of women occupying public positions. Their tender hearts shrink from the idea of women lawyers or women policemen, or even women preachers; these positions would "rub the bloom of the peach", to use their eloquent words. They cannot bear, they say, to see women leaving the sacred

precincts of home – and yet their offices are scrubbed by women who do their work while other people sleep – poor women who leave the sacred precincts of home to earn enough to keep the breath of life in them, who carry their scrub-pails home, through deserted streets . . . They are exposed to cold, to hunger, to insult – poor souls – is there any pity felt for them? Not that we have heard of. The tender-hearted ones can bear this with equanimity. It is the thought of women getting into comfortable and well-paid positions which wrings their manly hearts.

Thankfully in 1994 things are different. Women are in public life. I believe and I'm committed to the idea that women have made a grave difference in public life, that we have made a difference not only in what we talk about in this House but how we talk about it. Looking around, Mr. Speaker, there is a legacy of those five famous women right here in this House, and I would invite members of the House to look around them and look at the women who sit here in this House and who are committed to the work of this Legislature and to public life in Alberta, because today we celebrate these women as well.

head:

### Oral Question Period

#### Bovar Inc. Loan Guarantee

MRS. HEWES: Mr. Speaker, in the last three months Albertans have been shaken by contrasts that could be described as double standards or perhaps even double cross. On the one hand, the Premier says to Albertans: take wage cuts; suffer cuts to health, education, seniors; cut jobs so that we can solve the deficit problem that his government created. On the other hand, the Liberal caucus has revealed that behind Albertans' backs the Premier has totally broken his solemn promise and has given a \$100 million loan guarantee to Bovar a mere eight days after the last election. So much for integrity. A promise has been broken. A commitment apparently means little. My first question to the Premier is: how could you have signed that loan guarantee when you promised Alberta taxpayers otherwise?

MR. KLEIN: Mr. Speaker, first of all, I didn't sign the loan guarantee. This was a business deal between the Alberta Special Waste Management Corporation and Bovar.

Secondly, I note with interest the Liberal caucus news release, and there's something that needs to be clarified here. They talk about the \$100 million the Klein government spent on the Bovar loan guarantee. Well, nothing has been spent on the Bovar loan guarantee. There has been no claim whatsoever on that guarantee. [interjections] Now, just hang tough.

On October 12 I wrote the Auditor General and I asked him for his guidance as to whether this matter in fact is an extension of an existing financial arrangement, as I have maintained, or whether it is a new loan guarantee. Now, what I would like to do today is table the Auditor General's reply. I'm just going to read an excerpt. The Auditor General says, "In my opinion, the guarantee is new" – right? – "though . . ." [interjections]. Just a minute. Listen. Listen. Perk up. [interjections] I ask you all now to open your ears. "Though I can understand . . ." [interjections] Well, do they want to hear it or not, Mr. Speaker?

MR. SPEAKER: Order please. The hon. Premier would like to answer the question.

2:30

MR. KLEIN: Do you want to hear it?

In my opinion the guarantee is new, though I can understand that the origins of the guarantee could be construed as emanating from the original 1987 joint venture agreement.

He goes on to say, Mr. Speaker, that he regrets that the contingent liability was not disclosed in the Corporation's audited annual financial statements prior to 1993-94.

Basically, he's saying that we're both right or we're both wrong in this particular instance and that the Liberals don't know what they're talking about. That's what he says fundamentally.

Mr. Speaker, I would like to table with the Assembly my letter to the Auditor General and the Auditor General's reply. I think it's very important.

MRS. HEWES: You can't have it both ways, Mr. Premier. It is new.

Mr. Speaker, before I ask my second question, I too have documents to table. These are the first amending joint venture agreement between the Alberta Special Waste Management Corporation, Bovar, and Bovar Inc., June 23, 1993; the creditor agreement; and the 542936 Alberta Ltd. bylaw agreement which covers the loan guarantee. This puts to rest the Premier's contention.

My first supplementary, Mr. Speaker, is again to the Premier. Can the Premier then please explain how a deal in which taxpayers pour in all the money and Bovar and the Royal Bank extract all the profit qualifies as a fair business deal for Alberta taxpayers?

MR. KLEIN: Mr. Speaker, that plant was established to address an environmental concern at that time, and Albertans were fully in favour of that plant being built at Swan Hills. As a matter of fact, if you go to Ontario, I think they have spent almost \$500 million just trying to site one of these things. It's very difficult. We have the only plant of its kind in the country, one of two, I understand, in North America. It is unique. It has addressed very successfully a problem in cleaning up contaminants. If these people would like to have contaminants lying all over the province and a totally polluted province . . . [interjections] Well, that's what they're saying. Mr. Speaker, the expansion of that plant went through the Natural Resources Conservation Board. That board determined, an independent, impartial adjudication, ruled that indeed there should be an expansion of that plant to accommodate a backlog of contaminants now trapped in solids.

Basically, I would like to read another important sentence from the Auditor General's report, because they brought up the loan guarantee. The Auditor General says:

Therefore, the new guarantee replaced the original contingent liability in addition to covering the indebtedness from the plant expansion.

In other words, what the Auditor General was saying was that this was the continuation of a deal that was originally signed in 1987. I hope they can understand that.

MRS. HEWES: Mr. Speaker, to the Premier. Your view of history is not shared by the people of Alberta. You've always wanted to import waste, and we know . . .

MR. SPEAKER: Question.

MRS. HEWES: My question to the Premier. I just want to get this one on the record. Mr. Premier, are you prepared to state now that no other ad hoc loan guarantees, loans, or investments have been authorized by this government by secret Treasurer's directive or otherwise since December 5, 1992? Can you get that on the record?

MR. KLEIN: Gosh, that information was all filed. As a matter of fact, we provided the hon. member for – where is Mike from?



MR. DINNING: Edmonton-Whitemud.

MR. KLEIN: Edmonton-Whitemud. We provided him with that information. We gave it to him. There was nothing secret about that, but the nonsensical thing, if you want to get into nonsense – again I allude to the Liberal caucus press release where, in fact, they're talking about a hundred million dollars. These people have spent \$500 million already, just thrown it away willy-nilly. Five hundred million dollars. I'm just wondering what these people would do. Would they all go en masse up to the town of Swan Hills and to the plant and stand up and say, "Let's close this plant down, and let's not address an environmental problem"? [interjections] Why don't you do it?

MR. GERMAIN: On June 23, Mr. Speaker, this government signed an order in council that permitted and cleared the way for a hundred million dollar loan guarantee, yet on October 25, 1993, the Provincial Treasurer denied the existence of this guarantee. Further, on February 23, 1994, the Premier of this province and his deputy denied the existence of this loan guarantee, and the Deputy Premier used the colourful language: zero, absolutely zero. Now, my question today, then, is to the Provincial Treasurer of the province of Alberta. How could you, sir, as the Treasurer of this province not have known of a hundred million dollar transaction just about four months after it occurred?

MR. DINNING: Mr. Speaker, on June 23 the Premier and the cabinet approved an order in council for a loan arrangement between the Special Waste Management Corporation subsidiary and the Royal Bank of Canada. The Premier has filed in the Assembly today a letter from the Auditor General which says that . . . the Corporation had a contingent liability regarding Bovar's bank indebtedness, to the extent that it existed prior to the expansion. Therefore, the new guarantee replaced the original contingent liability in addition to covering the indebtedness from the plant [operation]. What we did was characterize this, as the Auditor General did, as an ongoing obligation. The Auditor General has made it clear in his letter to the Premier that in fact this is a new guarantee. We stand here before this Assembly and acknowledge a mistake on our part, that in fact this is a new loan guarantee, but it's called, as the Auditor General has called it and characterized it, an ongoing obligation that existed back in 1987.

MR. GERMAIN: To the Treasurer, then, of the province of Alberta: was the mistake that you today acknowledge the guarantee or the lack of ability to hide the guarantee in an order in council?

MR. KLEIN: Mr. Speaker, there is nothing hidden in this. As a matter of fact, when the hon. Member for Edmonton-Whitemud asked for the information, it was provided. It was not construed by my cabinet or this government that this was a new loan guarantee but that this was an extension of an existing financial arrangement. The Auditor General said that, in his opinion, "the guarantee is new," and I repeat, he had the qualifier:

Though I can understand that the origins of the guarantee could be construed as emanating from the original 1987 joint venture agreement.

This is where, you know, we had a disagreement. We did not consider it at that time to be a new loan guarantee but a renegotiation of an existing financial arrangement. It's as simple as that.

MR. SPEAKER: Final supplemental.

MR. GERMAIN: Thank you. Then since the Premier does want to answer, I'll ask the Premier why he didn't in all of this reveal the existence of this guarantee to Ralph's team of backbenchers back there.

MR. KLEIN: Mr. Speaker, when something is done by order in council, it becomes public information. I mean, even these people with their limited research skills can dig out that information. It's provided to them. We hand it to them.

#### 2:40 Special Waste Treatment Centre

MR. MITCHELL: You know, Mr. Speaker, I think we have to remind the Premier that the NRCB was set up so that the economic, social, and environmental implications of projects like the importation of wastes to Swan Hills could be reviewed properly without political interference. My question is to the Premier. Could he please tell us why he would intervene directly in this NRCB process by stating publicly and clearly that it will be a real problem if we don't get approval for importing wastes to Swan Hills?

MR. KLEIN: Well, it just happens to be the truth. It happens to be the truth. To make a statement that I have intervened and I have become involved in the NRCB process, Mr. Speaker, is an absolute fertilization of the truth. It is simply not true. I know that we can't call the hon. member a liar, but the man is not being truthful.

MR. MITCHELL: If the Premier knew that to be the truth, you have to wonder, Mr. Speaker, why he would have renewed the agreement with Bovar in 1993 for another five years. He wanted to renew a real problem?

Mr. Speaker, I wonder whether the Premier could tell us how he could think that the NRCB could possibly review properly the economic implications of importing waste to Swan Hills when he failed to tell and his government failed to tell the NRCB about the \$100 million loan guarantee to Bovar.

MR. KLEIN: Mr. Speaker, we did not fail to tell anyone about the \$100 million extension of the existing financial arrangement. That was an order in council, and it was public. It was out there. As a matter of fact, we willingly and openly provided the hon. Member for Edmonton-Whitemud with all the information he required because obviously they couldn't bring their research capabilities together to get it on their own. So we gave it to them. That's not hiding anything.

MR. MITCHELL: I wonder whether the minister of the environment could tell us why he would forget to tell the NRCB that he has been negotiating for over a year an agreement that will commit him to importing hazardous wastes from other western Canadian provinces.

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

MR. EVANS: Thank you very much, Mr. Speaker. What the Member for Edmonton-McClung is referring to is a western Canadian environment ministers' task force which has been talking about a regional approach to waste management, not only hazardous waste but waste management generally. This process began in 1990. It continued through 1991, '92, and '93. Last year when I attended a Canadian Council of Ministers of the Environment meeting in Saskatchewan, the issue was raised by

western environment ministers, and I pointed out at that time that in Alberta we have an Alberta-only policy. At that time – it was prior to any decision that had been later made to investigate the possibility of importation of waste – I made it very clear to my colleagues, the other western ministers, that Alberta would not sign such an agreement under the present protocol in Alberta and that we would not even consider signing it unless the people of Alberta persuaded us to change the policy from an Alberta-only policy to some other policy which would allow for the importation of waste.

MR. SPEAKER: The hon. Member for Cypress-Medicine Hat.

### Corporate Taxes

DR. L. TAYLOR: Thank you, Mr. Speaker. [interjection] Welcome to you too. I think that after those last two sets of questions I'll be voting for Gary.

My questions are all to the Provincial Treasurer. Recently it is my understanding, Mr. Treasurer, that negotiations between the federal government and yourself have broken down over the issue of collecting corporate taxes. Can you please explain to this House the reason for the breakdown in the negotiations?

MR. DINNING: We went into discussions with Ottawa in May of 1993 with the objective of getting out of the corporate tax collection business and having it transferred to Ottawa so that Alberta corporate taxpayers would not be faced with the unnecessary waste, overlap, and duplication of having to fill out two corporate income tax forms. There were bilateral discussions. There was an understanding that there could come about a bilateral agreement. The discussions took place, and frankly, regrettably, Mr. Speaker, the talks broke down with the federal Finance officials who would not agree to our position, which would have protected the corporate taxpayer in Alberta. There was a disagreement on the regularity of payments to the tax system. We wanted it annually, as it is now. The federal government wanted to take money from the taxpayers of Alberta monthly, and we felt that those funds should stay with taxpayers. We came to a disagreement over discretionary pools. They wanted to see \$70 million worth of tax payable paid almost immediately, while we acknowledged that we wanted it paid over seven years.

In the end, Ottawa federal Finance officials took a one-size-fits-all approach to federalism and said that they're going to do it their way or no way, and there was no agreement that there would be binding arbitration, as we had proposed, by turning to an objective third party to assist in resolving disputes. Mr. Speaker, I simply say that I'm disappointed, because I think this was an opportunity for Ottawa to assist us in eliminating unnecessary overlap and duplication.

MR. SPEAKER: Supplementary question. Through the Chair, hon. member.

DR. L. TAYLOR: Thank you. Can Alberta adjust the income tax structure through such things as tax credits to allow for a made-in-Alberta tax policy?

MR. DINNING: That's exactly what we have in place today. We have the opportunity through Alberta corporate tax administration to do that. What we were trying to do was discuss with Ottawa, negotiate with Ottawa the flexibility to do exactly that at the same time as we eliminated overlap and duplication by sending the administration back to Ottawa, where it really belongs, because there shouldn't be two tax collectors in this country.

Ottawa federal Finance officials couldn't see their way to changing their arbitrary, rather paternalistic position, and we're now left with no choice but to continue to collect our own corporate tax.

DR. L. TAYLOR: Well, your comment that one size fits all seems to apply to the whole income tax area. Now will the minister agree to take the bold step of collecting all income taxes, as Quebec does, to protect Albertans from a federal raid on our Treasury?

MR. DINNING: Well, Mr. Speaker, I'm surprised that a member of the Assembly who has fought so hard against unnecessary waste and overlap and duplication would ask us to spend more money and hire more people to collect more taxes. It's an overlap and duplication that we don't agree with. It would be wrong. We're fighting overlap and duplication and trying to get better value for the taxpayer's dollar. While we'll continue to administer our own corporate tax, we are not going to go into the personal income tax collection business.

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

### Bovar Inc. Loan Guarantee

(continued)

DR. PERCY: Thank you, Mr. Speaker. In April of 1993 this government renegotiated the obscene Bovar agreement. Not only did this government sweeten the pot for Bovar and the boys, but they added other provisions that will walk taxpayers into payouts approaching perhaps \$650 million even if the government gets out of this agreement. This was done in April of 1993. There was an election; not a word was said. Then with indecent haste, eight days after the election, they signed the order in council. My question is to the Premier. Why would this government agree to guarantee the \$100 million loan given by the Royal Bank to Bovar when the Royal Bank is also an 8.6 percent owner of Bovar? Does the Alberta advantage mean that big business bears no risk and just gets a guaranteed rate of return?

2:50

MR. KLEIN: I take great exception to this being obscene, because what this hon. member is doing, Mr. Speaker, is questioning the integrity of the Natural Resources Conservation Board. [interjections] He is and I'll tell you why. Mr. Speaker, this hon. member had every opportunity, as did every member of that caucus, to attend the hearings when the NRCB conducted an adjudication on the social, economic, and environmental considerations relative to the expansion of that plant. That was no secret. That was a wide open, public hearing. The board ruled that indeed it made sense from an environmental point of view, from an economic point of view, and from a social point of view to expand that plant in accordance with the application made by the Alberta Special Waste Management Corporation. In order to accommodate that expansion, the existing financial arrangement with Bovar had to be renegotiated. That renegotiation took place. It was approved by order in council, and that indeed was made public. As a matter of fact, when this hon. member asked for the information, every single piece of information he requested was provided to him.

MR. SPEAKER: Supplemental question.

DR. PERCY: Thank you, Mr. Speaker. My question is to the Premier. First of all, why would you sign such an agreement, a renegotiated agreement, an agreement signed by your government

in April of 1993, not an old agreement but one that you signed, that allows this hundred million dollar guarantee to remain in force even if the government sells its 40 percent interest in Swan Hills? We're on the hook regardless of who owns that plant.

MR. KLEIN: That's right, and I think that begs re-asking the fundamental question: should the plant have been built in the first place? The answer, I think, is yes, because we have done a tremendous job cleaning up hazardous waste in this province. We are the only province that is entirely clear now of liquid PCBs contained in transformers and so on. We've done a magnificent job of cleaning up medical waste that is surplus to household needs and surplus to the druggists. Numerous projects have taken place relative to the cleanup of toxic and very dangerous kinds of wastes. We're the only province that has been able to do this. I would ask the hon. member to harken back to the situation in St-Basile-le-Grand in Quebec, if this is the kind of situation he would want this province to endure, where they loaded the PCBs onto a ship, Mr. Speaker, tried to get them over to Wales. The long-shoremen there refused to handle the materials. Then the boat made its way back to . . . [interjections] I'll finish the story after.

DR. PERCY: Mr. Speaker, you can ship hazardous waste to Arkansas cheaper than you can ship it to and have it treated in Swan Hills, and you can save the taxpayer money.

MR. DINNING: Is that what you want?

DR. PERCY: You bet. Ship it to Arkansas and have it treated cheaper than at Swan Hills. That's saving the taxpayer money. [interjections]

MR. SPEAKER: Order please. The hon. member has demonstrated why there should not be preamble to supplementary questions. Supplemental question.

DR. PERCY: My question is to the Premier. Why would you have renegotiated an agreement in April of 1993 – your government, not anyone else's – in which the province of Alberta remains on the hook for subsidies to the system of up to \$650 million even if the government doesn't own it? That's in the agreement, Mr. Premier.

MR. KLEIN: Mr. Speaker, I'd like to talk a little bit about Arkansas, because finally it shows where these people actually do stand on the environment. Take acids and arsenic and cyanide and PCBs and all the crap and just put it in the ground: that's their attitude as to how to treat these kinds of things. We have a social and an environmental responsibility. We decided at that time to joint venture with the private sector to jointly look after an environmental problem that was causing us grave concern. That's what it's all about.

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

### Interregional Health Services

MR. STELMACH: Thank you, Mr. Speaker. My question today is to the hon. Minister of Health. It is my understanding that as in the past all Albertans can access health care anywhere in the province regardless of the region in which they live. There have been some reports that the two major cities, Calgary in particular, are considering charging a 15 percent surtax on patients visiting

their hospitals. My question to the minister: is this true and would you allow this?

MRS. McCLELLAN: Mr. Speaker, let me make it very clear that Albertans will not be charged a surcharge for receiving medically required treatment wherever they receive it in this province. That is not acceptable to this government, and it will not happen.

MR. SPEAKER: Supplemental question.

MR. STELMACH: Thank you, Mr. Speaker. Will dollars be transferred from rural regions to the cities for their treatment of residents from outside the region?

MRS. McCLELLAN: Mr. Speaker, today dollars do indeed, what some people term, follow the patient. However, I would term it that where the service is delivered is where the service is funded. That is the way we fund health services today, and indeed, I would expect that that will be the continuation of the methodology of funding. However, to ensure that regions are funded equitably and to ensure that they are indeed funded for the services that they provide, the regional health authorities will be involved in the development of the funding formula for the regions.

MR. STELMACH: Mr. Speaker, the final question to the minister: how are you going to avoid turf battles between regions fighting for limited dollars?

MRS. McCLELLAN: Mr. Speaker, I think by involving them in the discussions, certainly. I might say that I have had a discussion with both the Capital region health authority chairman and chief executive officer and the Calgary region health authority and their executive officer. Indeed, it is my impression from those meetings that all they wish is to be funded for the services that they deliver. I should remind hon. members that it costs no more to deliver the same service to a person who resides in Edmonton than to a person who resides, for example, in Grande Prairie or High Level. Any extra costs are borne by the person traveling, in most cases. We fully intend to involve the regional health authorities. They have formed a council of chairs, and we are looking at that as being a very good vehicle to ensure that they share knowledge and work together.

MR. SPEAKER: The hon. Member for Sherwood Park.

### 3:00 Special Waste Treatment Centre (continued)

MR. COLLINGWOOD: Thank you, Mr. Speaker. The government's ongoing interference with the NRCB hearings on importing hazardous waste just got down into the gutter. In preparing for recent NRCB hearings, UMA Environmental, a consultant on behalf of the Indian Association of Alberta, submitted a report slamming Swan Hills and the whole notion of importation. According to the Indian Association, on seeing the report the head of the Alberta Special Waste Management Corporation, Ken Simpson, delivered an ultimatum to the association's consultant: soften the criticism in the report or risk losing further government work. Because of this interference, Mr. Speaker, the consultant, the report, and the whole NRCB process have been tainted. My question to the Premier: is your government so obsessed with importing hazardous waste that you will resort to harassment, intimidation, and meddling with the whole NRCB process just to get your way?

MR. KLEIN: No, Mr. Speaker. I don't know when this information was delivered to the hon. member, but the charges are serious and very grave and should be investigated, and they will be investigated. But why didn't this gentlemen pick up the telephone at the time and say, "Mr. Premier, there's a problem here"? [interjections] No. Why didn't he? Why didn't he? I ask him that. Why did he not? Something that serious and that grave - why wouldn't he be a gentleman and be honest to his constituents and pick up the phone and tell me? This is the first I've heard of this particular incident. If the hon. member will provide me with the details, I will guarantee to him that it will be fully investigated.

MR. COLLINGWOOD: Mr. Speaker, I'll remind the Premier that Chief Jim Badger told him about it and also sent to the Minister of Environmental Protection a letter on June 29 outlining the problem. Why didn't the Minister of Environmental Protection tell you about the problem?

MR. KLEIN: Mr. Speaker, Chief Jim Badger is a good friend of mine, and I can tell you and this Legislative Assembly that I have had absolutely no conversation whatsoever with him regarding this issue. None.

MR. COLLINGWOOD: He didn't tell us about the Minister of Environmental Protection, Mr. Speaker.

Mr. Speaker, let's ask the Premier what stuff he's made of. Will you now demand the resignation of the Minister of Environmental Protection for allowing this kind of harassment and intimidation in the NRCB process?

MR. KLEIN: Mr. Speaker, I repeat: I think it was cheap of this hon. member and I think it was dishonest of this hon. member not to pick up the telephone and inform me of this very serious matter. Nonetheless I will do this. I will give this undertaking to the hon. member. This matter will be fully investigated, but I would expect this hon. member to have the decency to provide me with all the information he has regarding this matter.

MR. SPEAKER: The hon. Member for Medicine Hat.

### **Tire Disposal**

MR. RENNER: Thank you, Mr. Speaker. Consumers across the province have been paying a \$4 tire recycling fee since the creation of the recycling board. For those who live north of Red Deer, progress appears to have been made in finding sources for the discarded tires. The same however cannot be said for southern Alberta. Recently the city of Medicine Hat began burying its tires in its landfill due to the potential fire hazard in storing them on the surface. To the Minister of Environmental Protection: why are the people of Medicine Hat paying a recycling fee while at the same time the municipality is burying tires in the landfill?

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

MR. EVANS: Thank you, Mr. Speaker. The purpose of the \$4 advance disposal fee is so that we can ensure that tires will not be buried in landfill sites. In point of fact, as the hon. member has indicated, we've had more success through the Tire Recycling Management Board in dealing with the tires in northern Alberta. However, the Tire Recycling Management Board, which is made up of representatives from 10 different organizations including the three municipal organizations in the province, of which, of course, Medicine Hat is a member of the Alberta Urban Muni-

cipalities Association, has been aggressively looking for sources for the treatment, the high-end recycling, or the disposal of tires in southern Alberta. We're very close to an agreement with the Lafarge corporation in southern Alberta. In point of fact, the Medicine Hat area has been identified as a collection point for tires. We're talking anywhere in the neighbourhood of about 650,000 passenger tire equivalents per year.

MR. SPEAKER: Supplemental question.

MR. RENNER: Thank you. I wonder if the minister could advise this House: should the negotiations with Lafarge break down, have you explored alternate possibilities for tire recycling?

MR. EVANS: Well, that's an ongoing responsibility of the board, Mr. Speaker. The board is examining a number of alternatives and focusing, quite frankly, on high-end recycling, because that's where the jobs are and that's where we can take advantage of the markets that are developing. In connection with that, the board just recently announced in September a new program dedicating a million dollars of the moneys that have been placed into the tire fund to work on the upgrading of technologies and the upgrading of the various techniques that are used to deal with tires and to promote small-scale recyclers in the province of Alberta. So, yes, there are a number of ongoing alternatives in the event that we are not totally successful in the negotiations that we are undergoing right now with Lafarge.

MR. SPEAKER: Final supplemental.

MR. RENNER: Thank you. I wonder if the minister might in the meantime, while the tires continue to be buried, consider compensating the city for their cost of burying tires in the landfill.

MR. EVANS: Mr. Speaker, the difficulty with what the hon. member has suggested is that we have something in the neighbourhood of 2 million to 2 and a half million passenger tire equivalents that are discarded each and every year. In addition to that, we have a backlog of perhaps 6 million to 7 million tires that are in landfills and other locations. So the amount of money that has been collected is for the treatment of the use of those tires that are accumulated and will continue to accumulate. I appreciate the concern of Medicine Hat and the landfill issue, but I could not consider paying the landfill money to bury those tires when we are working very aggressively to try to find ways of dealing with the tire problem and getting them out of the landfills.

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

### **Health Regions' Business Plans**

MR. SAPERS: Thank you, Mr. Speaker. Albertans have waited with bated breath for the release of the business plans for the health regions because they wanted to know what was going to happen to their health care system. Now, most of the regional authorities have in fact released their business plans but only after the minister has done her secret editing. This has left the regional authorities to take the public heat while the minister is still making the real decisions about health care behind closed doors. To the Minister of Health: Madam Minister, how on earth could you decide how much money to slash out of regional budgets without even knowing the outcomes of the performance measures in the business plans?

MRS. McCLELLAN: First, Mr. Speaker, I would challenge the hon. member to show me a business plan that went back to them edited. I would very much like to see that.

MR. KLEIN: They can't produce it, Shirley.

MRS. McCLELLAN: Well, I think it would be useful to spend a little time looking for that. I take quite exception. Mr. Speaker, I spent the last session dealing with innuendos, rumors, and I really don't care to continue this session this way. I'd rather deal in facts.

Mr. Speaker, we set out a process of consultation and review of the health system in this province. I went through the whole issue of that in the last session. I can ask the hon. member to read *Hansard* and refresh his memory but to start with the Rainbow Report. It was on that consultation and review and extensive work done by two major centres in this province that we made decisions on reductions in the health care budget. We set out a three-year business plan in this province, the only province in Canada that I know of that has a three-year business plan for their Ministry of Health, never mind a three-year business plan for their whole government, and I have asked the regional health authorities to give me a three-year business plan for the delivery of those health services. Seventeen regional health authorities delivered those business plans to me on September 15 and did a very fine job of setting out a directional plan and now are in the process of involving their communities in further development of health services in their regions. I commend them for that work, and I did not edit the business plans.

3:10

MR. SAPERS: I thought you would have read them, but I'll make sure I get copies of them to you.

Mr. Speaker, what criteria did the minister use when it was decided that she could take, for example, \$8.4 million out of the health region surrounding the Grande Prairie area?

MRS. McCLELLAN: Mr. Speaker, the reductions for all regions are made on the basis of a reduction for the province. I would like to take the time to go through for the hon. member the process that we went through to develop exactly how many health dollars were spent in those regions in delivering services. That is indeed what was done. Acute care, public health, long-term care, home care: all of those things were taken into consideration, and we could tell the regions the amount of dollars that were expended, and we could also tell them the amount of dollars that would be their share of the reduction on those services.

MR. SPEAKER: Final supplemental.

MR. SAPERS: Thanks, Mr. Speaker. What guarantees do regional health board members have that they'll be able to keep their jobs if they disagree with the mandate that the Minister of Health has forced on them?

MRS. McCLELLAN: Well, first of all, Mr. Speaker, they have what I would consider for all intents and purposes a volunteer position. They don't have a job. They do have a task before them, and 242 individuals in this province committed themselves to a task of delivering health services to their region. I might say that they are doing an excellent job of setting themselves to that task and involving their communities. We made a decision in this government to decentralize the decision-making of delivery of health services. I believe it was the right decision, I believe it is

working, and I believe each and every one of us should support those regional health authority members who have taken on that task, and I would invite the hon. member to be constructive in that.

MR. SPEAKER: Bow Valley.

### Waste Management

DR. OBERG: Thank you, Mr. Speaker. I recently discussed the issue of a regional landfill in the county of Newell with the affected municipalities. They expressed concern over a recent conversation with a spokesperson for Alberta Environmental Protection who stated that the province would only pay for the construction of landfill site and transfer stations and will not provide funding for land or equipment. My question to the Minister of Environmental Protection is quite simply this: is this true?

MR. SPEAKER: The Minister of Environmental Protection.

MR. EVANS: Thank you, Mr. Speaker. The waste management assistance program that we have under Environmental Protection has been in existence since 1975. In the current regime that we have, where we are trying to balance our budgets, we've had to look at ways of reducing many of our grant programs. So in terms of that particular program we are reducing the amount of money that is available. The money which is going to be available in the future will be for the transfer stations, and it will be for the facilities themselves rather than for the land and some of the equipment. That's more in conformity with what we are doing with other municipal grant programs. We're trying to get into a situation where municipalities would put in 25 percent of the funding, and the department, when a grant application is approved, would put in 75 percent. So, yes, hon. member, I'm afraid that is correct.

MR. SPEAKER: Supplemental question.

DR. OBERG: Thank you, Mr. Speaker. The Newell regional solid waste management authority is being forced to construct temporary transfer stations at a cost of roughly \$200,000 as their landfills will be full this spring at two sites. So when will they be given the go-ahead to start construction?

MR. EVANS: In terms of the approvals, Mr. Speaker, that is the responsibility of the regional health authority rather than the Department of Environmental Protection. I know that the hon. member and the county of Newell would like to see that \$200,000 being paid for by our department or assisted by our department, but unfortunately in this fiscal year's budget we do not have the moneys available. In terms of going ahead with the project, that's a decision that the county will have to work on with the regional health authority.

MR. SPEAKER: The hon. member, a final supplemental.

DR. OBERG: Thank you, Mr. Speaker. Mr. Minister, are regional landfills the best, most cost-effective modality to handle solid waste management, or has technology come up with better alternatives in the last 20 years of the program?

MR. EVANS: Mr. Speaker, there are a number of ways to deal with waste, and one of the things that we are trying to concentrate

on in this waste management assistance program is reducing the amount of waste that we are creating in this province. As many hon. members will know, Canada and all of the provinces have agreed to a protocol that will attempt to reduce the amount of solid waste being generated by 50 percent by the year 2000. That is what we are trying to do here in Alberta, and that's going to be the focus of our program. At the same time, there is a place for regional waste management, but I must say that one of the reasons it's taken so long in many locations to come to a conclusion as to where a waste management facility would be located is because often communities are prepared to handle their own waste but they're reluctant to take a regional approach. [interjections]

MR. SPEAKER: Order please. The hon. members are going to grind up what little time there's left if they're going to keep making noise.

The hon. minister.

MR. EVANS: Thank you, Mr. Speaker. That's more of the NIMBY approach. I would remind the hon. member that in terms of the amount of money that's been spent in the county of Newell, we've put in through the program something in the neighbourhood of \$90,000 in just 1993 and '94 assisting the county of Newell with attempting to locate regional waste.

MR. SPEAKER: The hon. Member for Edmonton-Beverly-Belmont.

#### Senior Citizens' Programs

MR. YANKOWSKY: Thank you, Mr. Speaker. With the official implementation of the Alberta seniors' benefit program on July 1 there were some promises made by this government to Alberta seniors. The minister promised that an appeal process would be established and that seniors would have their first ASB cheques by July 31. To the minister responsible for seniors: why are many seniors still waiting for their first Alberta seniors' benefit cheques?

MR. SPEAKER: The Minister of Community Development.

MR. MAR: Mr. Speaker, thank you. That is indeed a very good question. Currently we are directing the benefits to those who need them most, and 117,691 low-income seniors are now receiving monthly cash benefits, and 90 percent of the applications that have been received have been fully assessed and processed. One of the difficulties is that not everybody has completed their application properly, so we've made every effort to contact those individuals by telephone and by mail. While we're waiting for some of that information to come back, some of those people are not yet receiving their first cheque, but we are making every effort to contact them for the information that we require.

MR. YANKOWSKY: Mr. Minister, I think you're not trying hard enough.

Why have seniors that on their ASB forms indicated their income was estimated not received their follow-up forms so they can start receiving the ASB benefits?

MR. SPEAKER: The hon. minister.

MR. MAR: Thank you, Mr. Speaker. What we're trying to do, of course, is get an accurate figure as to what their income is to determine whether or not they are in fact eligible. So we are looking for income verification.

MR. SPEAKER: Final supplemental.

MR. YANKOWSKY: Thank you, Mr. Speaker. Why has an independent appeal body, as recommended by the review panel and accepted by this government, not been established?

MR. MAR: Mr. Speaker, we are dealing with our appeals in as quick a way as possible. The majority of our resources have been dedicated towards ensuring that those people who need the assistance the most in fact are getting it, and we will be addressing the issue of the appeal in accordance with the recommendation that's been made.

head:

#### Members' Statements

3:20

#### Adult Education

DR. MASSEY: In 1976 Canada made a number of promises to the world community. The international covenant on economic and cultural rights committed governments to a series of goals. Those goals that apply to higher education are worth reviewing as we prepare to judge the white paper on adult learning that will be released on Thursday.

Article 13 of that covenant provides a useful set of what are called in current departmental bureau babble key performance indicators. In short, the minister must be judged on the promise in that covenant that higher education shall be made equally accessible to all on the basis of capacity by every appropriate means and in particular by the progressive introduction of free education. The thousands of qualified students shut out of Mount Royal College, NAIT, and other schools across the province will judge how well the white paper addresses the promise of accessibility to all. Thousands more students leaving high school with averages better than 65 percent but less than the 73 percent required by the University of Calgary will judge how well the white paper addresses entrance on the basis of capacity to learn, and every student in the province will judge that part of the white paper that addresses the covenant promise to progressively move to free education. How will a government that in four years raised tuition fee caps from 12 percent to 20 percent and now appears on a brisk march to 30 percent or no cap at all fulfill that promise in the covenant?

Certainly promises made 20 years ago must be tempered with our current ability to act. That is why the cover of the upcoming white paper should be edged in black to remind us that the changes it will advocate come not as a result of the vision in an international agreement. No, this paper is rooted in and owes its genesis to NovAtel, MagCan, Gainers, and Bovar.

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

#### Free Enterprise

MR. DUNFORD: Thank you, Mr. Speaker. I'd like to use my time today to talk about capitalism, the free market system, and the nurturing of children. As an advocate of the free market system it clearly shows that when a free market system is operating at its full potential there are yields and profits that then accrue to individuals, and it's through each individual operating within that system that they then find their own true level. In fact, it's one of the only systems that we are aware of in the world today that would allow anyone through honest effort, through perseverance, and through their own human ingenuity to be able to find a respectable and perhaps even a fruitful level within the economy. But that in itself is not enough.

Something now has to be done with those particular rewards, and I would propose that we take a look at what the benefit might be if we ensured the proper nutrition and nurturing of children between the ages of three and six years old. There are longitudinal studies now available from the United States that clearly indicate that if we spend \$1 to ensure that a child between the ages of three and six receives proper nutrition and we provide an opportunity for nurturing, we will receive \$7 in return. I think that kind of an investment is something that should be attractive to any free enterpriser such as myself.

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

### Health Services Restructuring

MR. SAPERS: Thank you, Mr. Speaker. The Premier has recently tried to blame public concerns about health service cuts on health care workers. How totally irresponsible. Now, the Liberal caucus has requested that the Minister of Health establish an independent review committee to respond to the growing number of health system complications plaguing Albertans. What the government infers are isolated incidents and dismisses as little horror stories we recognize as the everyday effects of arbitrary, unplanned service cuts.

The political agenda of the Klein government to balance the budget at any cost is leaving a tragic wake. This is not just our conclusion but also the conclusion of many others, including the Alberta Medical Association, who state that changes in health care are characterized by a shameful lack of planning, and the Premier's own advisory council on seniors, who report that the tide of health care complaints resulting from service cutbacks is rising daily.

Instead of recognizing the need for a review and paying attention to the very real concerns of Albertans, the government has chosen to reject its responsibility and pretend that they have everything under control. The Minister of Health has even gone as far as to suggest that the Health Facilities Review Committee could do what the Liberals are asking for. The problem with this is that this committee does not have the mandate to review complaints outside of hospitals and lodges nor is it responsible to chronicle the sum total of the cuts and their impact not only on services but also on the lives of people. The minister knows her suggestion is unsatisfactory because she knows the Health Facilities Review Committee cannot respond to home care concerns, concerns arising from postdischarge complications, concerns about lack of access, or long waiting lists.

Mr. Speaker, the real reason why this government will not establish a review process is that they do not want to admit that they have cut too far, too fast, and without attention to health needs. They don't want to admit to Albertans that their policies are hurting health care.

### Privilege

#### Confidentiality of Telephone Records

MR. SPEAKER: Hon. members, there are two matters that the Chair believes should be addressed before proceeding to Standing Order 30 and the applications under Standing Order 40. First is the matter of privilege which arose on May 31, 1994, when the hon. Member for Clover Bar-Fort Saskatchewan rose respecting the matter concerning the Deputy Premier. The member presented her case on June 1, and the Chair stated on page 2390 of *Hansard* that further consideration be deferred until the Assembly next met. Since we are now assembled, the Chair proposes that the matter may fairly be dealt with on Thursday, October 20, 1994, and would suggest to the hon. Deputy Premier that he

should be prepared to present his side of the matter at that time unless there's some really good reason to the contrary. Perhaps the hon. Deputy Premier would review *Hansard* for last May 31 first, and he no doubt may wish to make some comment to the Assembly about the matter proposed by the hon. member.

### Point of Order

#### Incident Involving TV Cameraman

MR. SPEAKER: The second is a point of order that the Chair has received an indication of an intent to speak to by the hon. Minister of Justice.

MR. ROSTAD: Thank you, Mr. Speaker. I'd like to relate an incident actually that happened today on the way into the Assembly. I had spent the noon hour looking at a TV clip from last night and was somewhat frustrated by it and on emerging from my office was asked a question on this particular instance. In an uncharacteristic way my reaction was inexcusable in that I pushed a TV cameraman in the hallway and asked him to turn his camera off. He refused, and at that time I pushed. I have since spoken to the reporter personally by phone to apologize for inexcusable behaviour. I couldn't reach the cameraman, but I extended the same. I do to my colleagues express my regrets. As a member that's inexcusable.

I thank you for the opportunity.

### Request for Emergency Debate

MR. SPEAKER: The hon. Member for Edmonton-Whitemud with regard to a Standing Order 30.

DR. PERCY: Thank you, Mr. Speaker. I understand my comments in support of my request to adjourn the ordinary business of the House should be brief, so I'll keep them relatively brief.

MR. SPEAKER: On the matter of urgency.

DR. PERCY: Yeah. This, Mr. Speaker, is the first opportunity that we have had in the House to discuss the issues related to the loan agreement that was given to Bovar. The reasons for urgency I think are quite clear. First of all, the government has argued extensively that this was really a formalization of an existing obligation but an obligation that appeared nowhere in the books, not in the public accounts, not in the records for the Special Waste Management Corporation. It appears at least almost an informal understanding that seemed to be very strong. So one point that suggests the urgency of this, Mr. Speaker, is that we have to know what other types of obligations are out there that we do not know about, that don't appear in the public accounts, that don't appear as contingent obligations. This is our forum to ask those questions, and on occasion we actually hope to get a reply. So far not much success in that regard.

### 3:30

The second issue that requires this be an issue of urgency is that the Premier said that we were questioning the integrity of the NRCB. That is not so, Mr. Speaker. We are questioning the integrity of the government. We are doing so on the grounds that this was a guarantee that was negotiated in April of 1993. No discussion was made during the election campaign. It was signed on the 23rd of June, eight days after the election, and not a word was said. In fact, the only time this was ever brought to public attention was when we brought forward and issued press releases that highlighted the extent of our obligation to Bovar.

The third point of why this is a pressing issue is that soon the NRCB will come forward with its decision on the importation of hazardous waste. Part of the rationale that the government has offered is our financial obligations, that the importation of special waste will in fact allow, then, our contingent liabilities to be reduced because it'll reduce the overall amount of subsidy that is required by the Swan Hills facility. Part of this link that has got us so enmeshed in a possible loss that will exceed NovAtel is this loan guarantee and the renegotiation of the joint venture agreement in April of 1993. I think it is of tremendous urgency, Mr. Speaker, that all of the issues related to this loan guarantee, the renegotiation of the joint venture agreement, and the exact extent of our links to the Swan Hills financial morass be explored in a public fashion prior to the NRCB coming forward with its recommendations.

So with those grounds of urgency, Mr. Speaker, I turn the floor to you.

MR. SPEAKER: The hon. Minister of Environmental Protection on the matter of urgency.

MR. EVANS: Well, thanks very much, Mr. Speaker. I do question the matter of urgency knowing full well that, as the opposition members have stated today, the order in council was signed on June 23 and they've had copies of the joint venture agreement, the amending agreement, and the creditor agreement since the 23rd and recognizing as well that specifically on the issue of the agreement I have a Liberal opposition news release dated June 24, 1993, which was issued by the then environment critic, who, I presume, was speaking for the Liberal opposition. They've made the point on many, many occasions that their critics speak for the Liberal opposition. I'm going to table this, but I want to read this into the record of the House. The hon. Member for Edmonton-McClung, the then Liberal environment critic, noted

that the new rate of return on Bovar's investment is more flexible than the original "sweetheart" agreement. He was pleased to note . . .

and I highlight that

. . . that if the operation makes a profit above the guaranteed rate of return, part of those profits will be returned to the government.

I find it very interesting, Mr. Speaker, that the Liberal opposition had done an analysis of the amending agreement and the creditor agreement one day after the order in council and had come to that conclusion. A year later with the help of the hon. Treasurer and public accounts they came to a tremendous revelation on their part, or so it seems, that there was a guarantee. So I do question the issue of urgency. There's been quite a considerable passage of time.

Nonetheless, that being said, Mr. Speaker, this is a matter of importance to Albertans. It is a matter of importance to all Members of this Legislative Assembly. If it would assist hon. members in getting a better feel for the original agreement, the context in which that agreement was signed, the context in which the amending agreement was negotiated from 1989 and onward, I certainly think there is some merit to having a discussion in this House this afternoon.

Thank you.

MR. SPEAKER: In view of the comments of the hon. minister, who the Chair assumes is also speaking in his role as the Deputy Government House Leader, the Chair really finds no other way around the matter than to put the question as to whether the Assembly wishes to allow this motion to proceed. All those in favour of this motion under Standing Order 30 to proceed, please say aye.

SOME HON. MEMBERS: Aye.

MR. SPEAKER: Those opposed, please say no.

SOME HON. MEMBERS: No.

MR. SPEAKER: The motion will proceed.

Speaking to the motion, the hon. Member for Edmonton-Whitemud.

head:

### Emergency Debate

#### Bovar Inc. Loan Guarantee

DR. PERCY: Thank you, Mr. Speaker. I appreciate the opportunity to explore in detail the financial morass that is Swan Hills and this loan agreement. It should be borne in mind that this agreement with all its provisions was renegotiated in April of 1993 by this government and that minister. I think the process of renegotiating it was a several-year process, and when one assesses the amended joint venture agreement, one finds that a number of extraordinary provisions remain in place and extraordinary provisions have been added.

The first point that should be made is one extraordinary provision that was added: the fact that in response to the demands of the major creditor, the Royal Bank, a loan guarantee provision was incorporated, and that loan guarantee provision had to become part of the bylaws of the Special Waste Management Corporation. That guarantee is for \$100 million. Now, I know some members over there find it humorous, but let me just explain to them that the Royal Bank has \$168 billion in assets. The Royal Bank is also an 8.6 percent owner of Bovar. What the amendment to this joint venture agreement did was, first of all, guarantee precisely and absolutely no exposure on the part of the Royal Bank to any losses whatsoever. What this amendment did was absolutely guarantee that they would have their loan paid. The amendment also allowed for a guaranteed rate of return. So the Royal Bank, backstopped by this Treasurer, a bank that has \$168 billion in assets, is backstopped by Alberta taxpayers. A government that has said that it is out of the business of being in business is certainly in bed with big banks.

When one goes through the joint venture agreement, Mr. Speaker, what does one observe? There is absolutely no risk whatsoever associated to any of the private-sector participants in the joint venture agreement. Bovar gets a guaranteed rate of return, and the formula that allows for that guaranteed rate of return ensures that it will return a return always above their borrowing cost. So they're guaranteed a rate of return. I know that this government has viewed welfare as a dirty word, but corporate welfare certainly seems to be the style for this government now.

So I think the first point that has to be addressed is that it would be interesting for the Provincial Treasurer to answer the question: why was it necessary for the Royal Bank to have its loan guarantee, its loan to Bovar, backstopped by taxpayers when at the same time the Royal Bank owns 8.6 percent of Bovar? They get it coming and going. There's no risk. Bovar itself, by drawing down on this guarantee, has no equity in the Swan Hills management facility. It has no equity. All of the funds that have been used to be invested for the expansion are all borrowed moneys at which taxpayers are exposed.

3:40

Now, I believe in free enterprise, Mr. Speaker, but free also means some exposure to risk. It means risk-taking. In fact, an



hon. member earlier today extolled the virtues of the market mechanism, and part of the market is you pony up, you put your money down, and if you work hard, you win. If you don't, you lose. In this scenario what happens is that you put other people's money in, you get the guaranteed return, and a big chartered bank is laughing all the way back to Toronto. So I find it pretty peculiar that this is part of a renegotiated agreement.

The second point that I find peculiar in this renegotiated joint venture agreement, Mr. Speaker, is that the \$100 million loan guarantee lives beyond the government's participation in this project. You know, regardless of what happens, if the government is successful in selling its stake, taxpayers are still exposed for \$100 million. The Premier himself has said that this was never expected to earn money. On the other hand, the minister of the environment has said that it's going to earn money, and I believe the Deputy Premier said that it didn't matter how much money we gave to it. But the bottom line is that the joint venture agreement as amended allows Alberta taxpayers to be exposed to a new loan guarantee of \$100 million.

I say new because that is precisely what the Auditor General says in his letter to the Premier, and I'll just read it to refresh the Provincial Treasurer: "The guarantee is new." This is a new guarantee, and it appeared nowhere in the public accounts, nowhere as a contingent liability for the value. So the bottom line is that we are exposed for an extra \$100 million. This government entered into the agreement in April of 1993. They ran an election campaign where the pitch was: we're getting out of the business of being in business. Unless it's big business, we're going to be behind. You didn't mention a word about this during the election campaign, and eight days later you sign the order in council. So it's a bit of a surprise.

What is also surprising, Mr. Speaker, if you go through the joint venture agreement – and let me read out the provision that should just scare the heck out of some of the private members over there. It is a provision in section 1703, and what it does is that it basically walks the provincial government in to provide the system subsidy even if the government is not a participant. We are obligated to continue in this partnership financially even if the government manages to privatize its stake. That I think should be a shock to all Albertans.

[Mr. Deputy Speaker in the Chair]

It would also be a shock to all Albertans when they look at the joint venture agreement to realize that the firm that is presently operating the Swan Hills facility, Chem-Security, has first right of refusal. Even if in fact Bovar leaves the operation or it's somehow amended in any form, Chem-Security has first right of refusal whether or not they want to continue to operate that facility. That is in the renegotiated joint venture agreement. So we're locked into the guarantee, Chem-Security has first right of refusal to continue to operate it even if the ownership status changes, and the government is obligated to continue to pay the system subsidy even if the government is not part of it. This, Mr. Speaker, imposes a significant financial risk to Alberta taxpayers.

What is even more interesting is that when you look at an arm's-length, independent study done by applications management, that study, which is a darn good benefit/cost study, which uses the most recent numbers to look at the potential demand for the Swan Hills facility, finds that even under modest assumptions with regards to demand we could stand to lose an extra \$600 million in this facility if the status quo was preserved.

Now, I argued in my opening statements to the Speaker that one of the reasons this was a matter of urgency was because of the

NRCB hearings. They were going to come forward with a conclusion. Well, I'm going to assert that what we've seen today in terms of the intimidation and harassment of an independent intervenor before the NRCB with regards to their evaluation of the importation of special waste management is indicative of the government's real concern, that because of this joint venture agreement that was amended and signed by this government in 1993, if we do not get the importation of hazardous waste into this province, we could be on the hook for \$635 million. So the government through an array of tools is upping the ante. The Premier says that if we don't get this, it's big trouble. We had the president and CEO of the Alberta Special Waste Management Corporation basically taking an unprecedented step of harassing an intervenor before the NRCB hearings on the importation of special waste. We have an array of statements that basically put pressure on what is to be an impartial review of the process. Why, Mr. Speaker? It's because of this \$100 million loan guarantee. It's because of the amended joint venture agreement, which has exposed Albertans to losses that are staggering to contemplate. These losses could exceed NovAtel because of the way this government, this Premier, this environment minister negotiated the renewal with Bovar in April of 1993.

The bottom line, Mr. Speaker, is that we have a potential loss that exceeds NovAtel. This government and no other government got us into this morass.

MR. DEPUTY SPEAKER: The hon. Member for Calgary-Shaw. All right; the hon. Member for Redwater.

MR. N. TAYLOR: Thank you, Mr. Speaker. I was hoping that Calgary-Shaw would stay, because he's actually still an infant in learning the intricacies of the Legislature, and it's a shame that he would run out.

I wanted to talk a bit about it because I've been around since the birth of the whole facility. As a matter of fact, the idea first came up in 1980. There was a by-election on then. I'll refresh the memories of some of the people over there. [interjection] He's clapping his flippers. If we give him a little water, he'll be all right. Usually, Mr. Speaker, all that's necessary is a dead fish, but we'll see.

In 1980 there was a by-election in which I was put up against the Deputy Premier. At that time he was an assistant moving in to take on the chair of the hon. Hugh Horner. I suppose the Premier, if he does enough research – and he's got such a huge research budget – will remember or will look and find out that I was the one that recommended that the waste facility be put in Swan Hills. We all remember that in 1980 this field was declining. There were jobs being lost, and as far as I was concerned, a hazardous waste facility was similar to a refinery: it takes something and turns it into inoffensive, useful products. Of course, I lost the election, but then a general election came up, and the Deputy Premier and the Premier of the day rushed to make sure that Swan Hills instead of Ryley, which is a coal mining town towards the Camrose area, got the hazardous waste plant in spite of the fact that it is not on a railroad, which made it one of the drawbacks. It couldn't handle hazardous waste.

That being said, where we went wrong was that in 1985 somehow or other we brought in the private entrepreneurs to be partners, and that's what I want to illustrate or what I'm talking about now: the incestuous relationship that has occurred ever since the beginning of this plant between the capitalists of Alberta's Bay Street – it can be called 8th and 9th avenues – and this government. This government has had a penchant of being able to take money from Jasper Avenue and 8th Avenue and give

the impression that that is the will of the public and that is the way things shall run.

The families that own Bovar, Bow Valley Resources and Trimac, have done very well out of this. They have been known for years and years to be cornerstones of the fund-raising of the Tory Party. I suppose if you've got to raise money for somebody in Alberta, you might as well raise it for Tories. But the fact is that this relationship is what was able to horn in on what should have been a publicly owned plant back in 1980 to '85, when the construction went under way. There was no particular expertise that these people brought in except for the fact that they knew how to collect money for the Tory Party. Waste management was a fairly new idea. Consequently, even if they came in as a partner with the government – and they put up 60 and the government put up 40 – why should the government have to be guaranteeing their share? These are families that owned some of the biggest transport things, the Trimac company in Alberta, and one of the biggest oil companies at that time, Bow Valley, that's gone on to become British gas and so on. So they needed a guarantee like I need another hole in the head. There might be some argument over there on that, Mr. Speaker, particularly with the Member for Vermilion-Lloydminster, who is pretty good at spotting holes in heads.

**3:50**

I want to go on to point out that we should never have gotten into this idea of guaranteeing the private sector. Nevertheless, we went along. That was the first chance that this government, or the public of Alberta, had to run a hazardous waste facility that wouldn't cost us a fortune or at least would have only cost us what we were causing to process the area. We've got to remember that these same people that are our partners in the Swan Hills area also have other facilities. What system do we have to make sure that the high profit wastes that have to be processed are done in that facility in Swan Hills rather than in their facility? How do we know that their facility isn't the one that's doing the high-profit processing, leaving the guaranteed profit and government up in that area?

During all this time, by the way, nobody paid a darn bit of attention to our aboriginal people, who hunt and fish and have been in that area since time immemorial. No, it was going to be going on. We can't stand in the way of progress. There again more attention was paid to 8th Avenue in Calgary than to the aboriginal people and the people around the area that had every concern to talk about it. So we roll on. That was the first chance we had. We could have made it a government facility entirely.

However, along comes our second chance. We had a second chance. In '89 Bow Valley restructured their operations under the name of Bovar, and of course in '87 the government minimum rate of return was prime plus 3. I refresh their memory again that we had a new Premier that came in '85, a new leader of the Tory Party, and this party in this province does not show where leadership donations come from. They should. This new leader from the oil business restructured this deal with an oil fraternity from Calgary that would be guaranteed prime plus 3 on its investment at Swan Hills. Now we really have an investment going. We really have free enterprise. The only thing that's free and enterprising about it is the stupidity or the lack of business expertise, the almost infantile fumbling of the free enterprise government to get taken to court by this guaranteeing of prime plus 3. We had a chance then to pay off Bovar and get out of our first mistake and restructure the area, but no, we didn't. No, we continued on.

Then we roll on to 1990. Remember back in '89 we elected a very ambitious young man from Calgary-Elbow, financed again from downtown Calgary. He made short work of some of the people up in the north part of the party or in the Edmonton part of the party or wherever it was. Again we see a reward of some sort coming out.

We reviewed the joint venture agreement between the Alberta Special Waste Management Corporation and Bovar, amended it, and we had a chance there to get out of it. We could have bought them out. We could have said: "No more money, no more loans. If you don't like it, forget it." We could have taken the corporation over, and if we'd owned it 100 percent, we could have then been competing with Bovar's Beiseker plant and Bow Valley. But, no, we again went back in, and we signed an agreement. We signed an agreement and said: "Well, you know, we've been shafted once. We're getting a little used to it. Shafted twice maybe." But three times, Mr. Speaker, three times to get goosed by the same bunch of international buccaneers looking for a guaranteed profit.

We come through with the idea that we're going to have to expand the plant. We're going to have to expand the plant to make enough money so that our guarantee won't get called. Well, we had a very simple way of not getting our guarantee called: not putting it in in the first place. The worst thing that could have happened, the very worst thing that could have happened was that the plant would have shut down and we'd have only lost \$100 million, just a measly \$100 million. Now we've guaranteed \$100 million and the profit for the next half a dozen years. There are times, gentlemen, to get out of things. We could have done that. [interjection] The hon. Member for Vermilion-Lloydminster should know what he does. He wades through it in order to earn his daily bread often. So I think he may be better at identifying it.

Nevertheless, Mr. Speaker, here we had this opportunity to get out of it. A third chance. I'm glad they're grabbing it. [Mr. Taylor's speaking time expired]

MR. DEPUTY SPEAKER: Hon. members, just for your further edification, it is obvious by the quick ringing of the bells, which the Speaker is unable to hear, that the debate on the Standing Order 30 is 10 minutes, and for that we're all eternally thankful.

MR. HENRY: For the record, Mr. Speaker, I could have sat and listened to the Member for Redwater for another 10 minutes and 10 minutes beyond that.

Mr. Speaker, the Standing Order 30 and the issue we're debating today in terms of the government renewing, if you want to put it that way, a \$100 million loan guarantee is a very serious matter. The reason it's a very serious matter is that in the last four months, having left this Assembly and gotten out of the dome, if I can put it that way, to meet with my constituents and members of the public from across Alberta, the one thing that I've heard is that they expect honesty and integrity from their elected officials and from their government. It is really clear from the facts that were revealed today and from the actions of the government that we've seen neither full honesty or integrity from this government, particularly the Premier. That distresses me. I wish we had a Premier that we could look up to. I wish we had a Premier who would show us some leadership in these issues.

However, what we have – and the record's very clear – is a Premier who bounces back and forth and who uses selective facts and edits them to suit himself. [interjection] The minister of public works thinks this is hilarious and wants to laugh. But be very clear: this is not very funny to those Albertans who are

receiving less services from their government, to those Albertans who are left with government cutbacks that are ill thought out, government cutbacks that have little concern for their impact. Meanwhile, the government gives its friends a \$100 million loan guarantee.

Back in 1989, when the current Premier was the minister of the environment, it was very clear that the current Premier at that point had the mandate to conduct a review of the special waste management facility at Swan Hills, particularly a review of the joint venture agreement. Unfortunately, he didn't do that, because he thought two years of operation was not enough time, in his view, to be able to conduct a full review. Well, very clearly, if we needed two reviews, then we should have done two reviews, when you have a hundred million dollar loan guarantee at risk. The record was very clear that taxpayers could lose up to 600 million plus dollars in this agreement over the long term.

4:00

The Premier keeps assuring us that this is a safe deal, that there's very little risk. In fact, I heard it from the same members of the same government three years ago when we were talking about the NovAtel fiasco. We were told at that point: "Oh, a \$600 million loan guarantee. Don't worry; it's safe. It's not a risky venture. This government wouldn't do that to you." Now we have a situation where kindergarten in this province has been cut in half, and the savings from that will pay half of the interest on the NovAtel debt. Do we want to end up 10 years from now with another major debt of a NovAtel size on the backs of the taxpayers? Then do we cut kindergarten completely? Do we cut health care even more?

The government very clearly has not been forthright with the taxpayers and the citizens of Alberta when it talks about its long-term intent for the special waste management facility at Swan Hills. It's been clear to anybody who's been watching the developments here that when the initial expansion went along, it would take 40 years. At that point we knew that it would take 40 years to reach full capacity in terms of the proposed expansion, which was supported by this government, if we were to maintain the policy of Alberta-only waste. The government at that time and the current Premier said that there was no interest in having the importation of waste from out of province. He said very clearly that he wanted to have Alberta waste only. Well, when the government went through with that expansion, it was raised in this Legislature, it was raised in the media, it was raised in the streets that to fill that capacity for the expansion would take 40 years, and by the time we filled it, the technology would be obsolete. So obviously there was something else going on. But no. "Trust me" was the line from the government. "Trust me" was the line from the Premier and the minister of the environment. Very, very clearly, I think, Albertans have been let down in terms of what the government promised and what the government said that expansion was all about.

Very clearly, the government of the day today in Alberta is operating in a very heavy-handed, thuglike manner in terms of how it deals with the citizens of Alberta. It is clear, and some of the aspects of this particular example are in fact illustrative of how the government operates. Very clearly, the government and government representatives did interfere in the review process when we were looking at the expansion of the mandate of the Swan Hills facility to take imported waste from out of province. Very clearly, you cannot have a government-appointed body at arm's length from the government, making decisions independent of the government, when the Premier, who is the head of the government appointing that body, says: we've got a problem if

they don't do what we tell them to do or what we want them to do. That very clearly is heavy handed. Then in question period for the Premier to stand up and say that we do have a problem if this is not approved tells me that the government is saying one more time that not only are they going to be heavy handed, not only do we not have an arm's-length review from the government, but very clearly the government is not ashamed of its behaviour in how it deals with Albertans and how it deals with interfering with so-called independent processes that were set up and that people in this province have been led to believe are at arm's length.

Mr. Speaker, I received a phone call about 10 days ago from a constituent of mine whom I've known for a couple of decades. This constituent of mine is very well known in the community and is very well known by the government. This constituent has been appointed to many very prestigious and senior positions by this government over the last 20 or 25 years. When this constituent of mine called me at home one evening, she said, "Michael, I have a number of things I'd like to talk to you about." She told me her views on a couple of issues. She told me that she didn't agree with me on a couple of issues. That was fine, and that was very legitimate.

She told me that she was very distressed because there was a time in this province that you didn't have to be a party member of the governing party in order to have influence, in order to have access, in order to have impact. She recounted for me the several incidents that she's been involved in over the last 25 years where she hasn't necessarily supported the government of the day but has, through hard work and through diligence and good research and effective communication, been able to affect decisions of the government of the day. She told me that she was distressed because she had recently been involved in a process, appointed by this government to a review in looking at a process. She believes now that because she's not identified as a party member of the governing party, there's no way to have impact with this current government.

Here's somebody who very clearly has been in the public eye, who very clearly has been part of the public out there advising the government and feeling like she had been able to have impact, and she no longer feels that she has impact. That's what the Bovar agreement is telling Albertans: any consultation you have, anything the government tells you, you can't take it at face value, because the government will change its mind or the government will have another agenda and will let you know all about it after they're finished implementing it. You as a citizen of this province, regardless of how you vote in an election or regardless of your income or regardless of your particular personal philosophy, don't have an impact anymore, because this government is acting like a bunch of thugs going around saying, "If you don't agree with us, we're going to make sure . . ."

#### **Point of Order Abusive Language**

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

MR. DEPUTY SPEAKER: The hon. Minister of Labour.

MR. DAY: Mr. Speaker, it is very clear on the record that the government has welcomed this debate, but I would ask the member opposite not to take it to these low depths where toxic wastes would more properly be applied. Let's keep it to a level that's more reflective of the integrity of this Assembly.

MRS. HEWES: What's the point of order?

MR. DAY: Standing Order 23(i).

MR. HENRY: Mr. Speaker, speaking to the point of order, I don't believe there's a point of order. I haven't spoken about any particular member or their actions, and I do stand by my statement that the government operates in a manner that is very much thuglike in that if there is opposition to the government, they tend to beat up or they tend to put down that person and negate it. I stand by that statement.

MR. DEPUTY SPEAKER: Hon. members, the citation might be a bit out of whack. It actually is 23(j): "uses abusive or insulting language of a nature likely to create disorder." The word "thug," as applied to people, you may find is applicable or is not applicable, but surely it is a term that is likely to stimulate the kind of disorder that we have had a little inkling of. Perhaps the hon. member could find something that's a little less argumentive and make his point so that all may hear without causing any disorder. I'm sure the hon. member would wish to do that.

MR. HENRY: Thank you, Mr. Speaker. What I wish to say is that the evidence is very clear that when an individual or a group disagrees with this government, this government will do everything in its power to ensure that that voice is no longer heard, will do everything in its power to ensure that that group no longer has access. If the hon. members on the other side would like to enter into a debate on that subject perhaps on another day, I can provide the list of groups and individuals who have expressed the view to me that the government is not listening, that the government is not accessible to them.

#### Debate Continued

MR. HENRY: Again, back to the Bovar agreement. We have a government who was elected and who said: no more loan guarantees; the government has no business being in the business of business. Very clearly, the government wants to play both ends on this one. We heard the Premier and we heard the minister of the environment today and the hon. Treasurer talk about how there is a public responsibility to ensure that waste is looked after. There is no argument with that particular statement. But, Mr. Speaker, it is either a public responsibility or a private responsibility. It is not a public responsibility to give money to the private sector without accountability and to ensure that there's a certain level of profit and for the government to take all the risk in the venture. If the government wanted to operate the facility and contract out the management and provide a subsidy in terms of the per tonne of waste that was eliminated, that might be one thing. But giving loan guarantees to the private sector and guaranteeing particular profits is an irresponsible move.

Thank you.

4:10

MR. DEPUTY SPEAKER: The hon. Member for Sherwood Park.

MR. COLLINGWOOD: Thank you, Mr. Speaker. I'm delighted to be able to participate in our debate today on the obscene hundred million dollar loan guarantee to Bovar. I must say for the record, Mr. Speaker, that I'm surprised that no members opposite are participating in this debate. It appeared that they were quite prepared to engage in debate, and then they sit back quietly and do nothing in terms of debate.

I do want to congratulate certain backbenchers on the government side who had the courage and the fortitude to make statements that they as well were appalled by a new hundred million

dollar loan guarantee signed by the Premier just eight days after the provincial election. We of course expected that the backbenchers would know about that, but then it came to light that the caucus was not informed of the loan guarantee. In fact, I recall, Mr. Speaker, that when the Minister of Environmental Protection was asked by the press whether or not caucus had been informed of the loan guarantee, his response was: gee, I can't remember. It was obviously apparent by statements from the hon. Member for Cypress-Medicine Hat and the hon. Member for Calgary-Shaw that in fact the caucus did not know about the loan guarantee and certainly were embarrassed by having to go back to their constituents and explain that what they had campaigned for simply could not come to pass. I guess the fact that it occurred just eight days after the provincial election is what makes it really difficult for Albertans to swallow in terms of the integrity and the honesty of the provincial government.

Mr. Speaker, I think that it's worth while considering some of the history of the Swan Hills hazardous waste treatment facility. It was back in the '80s when the government, the province, decided that it needed a waste treatment facility, which was ultimately sited at Swan Hills. At that point in time the Environment Council of Alberta said that the plant should only require a maximum investment of tax dollars of \$1.3 million a year to enforce safety standards and test new technology. We've come a long way from the original idea of \$1.3 million per year to enforce safety standards to the outrageous potential \$800 million in subsidies that we're going to pay to government friends, Bovar, for operating that hazardous waste facility.

What was interesting back in the '80s was that the then president of the Alberta Special Waste Management Corporation was vehemently opposed to any deal with Bovar, saying that that deal with Bovar simply would not be in the best interest of Albertans. Albertans today may want to recall and reflect, Mr. Speaker, that for his courage and for making his statements known, that individual was fired by the Minister of Environmental Protection, because he would not succumb to the government's proposed plan to set up a private arrangement with Bovar.

We then had the first kiln built when the Swan Hills plant was sited, and we discovered very shortly after the commissioning of the rocking kiln that it was completely and totally obsolete and really couldn't function in the manner in which it had been cited for. We then move, of course, into the first application for the expansion, where we go to the first rocking kiln of the facility and then from there into the further expansion, into the 55,000 tonne annual amount that is available for the Swan Hills waste treatment facility.

Mr. Speaker, our caucus had said in 1991 at the NRCB hearings on expansion that there was no way that there were the kinds of excess PCBs and other hazardous wastes in the province to legitimize or justify an expansion to the size that was being contemplated in 1991. We said then, and we say now, that obviously the expansion was just getting a foot in the door to make sure that this government would be able to ultimately accomplish the importation of hazardous waste. Well, it certainly becomes apparent today, and it was just as apparent back in 1991. The government knew, because of Chem-Security's own informal projections, that they had no way of establishing whether or not there was a sufficient quantity of hazardous waste in the province of Alberta to justify that expansion. Chem-Security, by its own admission, simply asked around to see whether or not there would be enough supply to keep Swan Hills going.

It's incredible that today in this Legislative Assembly the members herein debate issues of cost cutting, debate issues of getting out of business, debate issues of education, debate issues

of health care, and in all of those debates the government insists that there is fat in the system, insists that there is money to be saved, insists that more and more cuts can be made, and with hypocrisy they just sit there and say, "But a hundred million dollar guarantee to our friends in Swan Hills is acceptable." I guess we'll just have to wait and see, Mr. Speaker, whether Albertans believe that to be the case as well.

You know, with the Swan Hills waste treatment plant as it now stands, we in the province of Alberta are PCB free. We don't have any PCBs in this province anymore because they have been disposed of. But now we want to bring in – and the government certainly has made no attempt to hide the fact that they want importation of hazardous waste from wherever they can get it from across this land of Canada. What's upsetting to Albertans, Mr. Speaker, is that because of the horrendous subsidy the taxpayers pay to Bover to operate that plant, Alberta taxpayers are going to subsidize the destruction of hazardous wastes from other provinces. Will those other provinces pay for the destruction of their hazardous wastes in any way? Absolutely not. This government is quite prepared to let Alberta taxpayers cover the subsidy for the disposal of those hazardous wastes. I might suggest to the Minister of Environmental Protection that he change the name of the Swan Hills waste treatment facility to the Good Samaritan hazardous waste treatment facility, because Alberta taxpayers are the ones that are going to be paying to dispose of the hazardous wastes from other provinces in Canada.

Mr. Speaker, we find ourselves in a situation where the Swan Hills waste treatment facility is only able to run through subsidies, through a manipulated marketplace, through the marketing of that plant to try and bring hazardous waste to Swan Hills, rather than sending it out to any other waste treatment facility in North America. It just doesn't look like it's going to happen. Regardless of how you crunch the numbers, the facility is a dog. The facility is a dog today, and the facility was a dog from the day it was built.

The Minister of Environmental Protection says that if we can't get importation of hazardous waste, we may think about shutting it down. Then the Minister of Environmental Protection says that if we do get the importation of hazardous waste, we'll think about selling it. Well, as my colleague from Edmonton-Whitemud has indicated, even if we sell it, it doesn't relieve Alberta taxpayers of any of the commitments, any of the obligations that this government has imposed on them to a new owner of that facility.

We've had such incredibly inconsistent statements from this government about the Swan Hills waste treatment plant that it's hard to understand or know, Mr. Speaker, who knows for sure what's going on in terms of policy setting in the government for this particular facility. We have the Premier saying that it was never intended to make money. We then have in 1993 the Premier, who was then Minister of Environmental Protection I believe, if my dates are correct, saying: we know we're going to be in a profit mode by 1996. We have the Deputy Premier talking about whether or not we're going to make a profit. Then we have the Deputy Premier saying that absolutely no amount of money is too much money to save Mother Earth. So we have all kinds of irresponsible, inconsistent statements from government. It's apparent that we have no policy of this government for the Alberta special waste treatment facility at Swan Hills.

Thank you.

MR. DEPUTY SPEAKER: The hon. Member for Clover Bar-Fort Saskatchewan.

4:20

MRS. ABDURAHMAN: Thank you, Mr. Speaker. I'm rising to speak on this motion from a different perspective than my colleagues have. I can remember well the day when a company called Kinetic Contaminants wanted to build a hazardous waste treatment plant within the boundaries of the city of Fort Saskatchewan and then the Strathcona county boundaries. At that time the very question centred around the disposal of hazardous waste was emotional to say the least. But one thing was clearly stated at that time to anyone who wanted to get into the business of destroying hazardous waste: there was not a profit to be made in it.

So once you realize that there's not a profit to be made in it, the question you have to ask is: why would any private-sector company want to get into it? The red flag that was waved in front of my face at that time was that if they were going to get into it, they were going to make a profit, so standards were going to be compromised. In essence, the fact that they were going to open and do business in destroying hazardous waste may indeed result in a worse environmental issue in this province. So to that end and that concern, many people became involved and prevented that company from opening a plant within the city of Fort Saskatchewan or Strathcona county boundaries. As history has told us, it was a well-founded concern, because that very company was in fact charged within the province of Ontario for dumping PCBs over highways.

So to suggest that the private sector at any time could indeed make a profit in the destruction of hazardous waste is folly. In fact, the government of Alberta at that point in time, when they went into the agreement to build the plant in Swan Hills – it was the worst deal possible, even at the initial stages of the development of this hazardous waste treatment plant.

I can remember well debating the merits of a joint venture on a panel within the city of Edmonton. I clearly pointed out at this time – and it's documented – that if the private sector was going to indeed make a profit and it wasn't going to cost us, the taxpayers, a fortune, we would have to open up our boundaries. I can remember the *Journal* saying that Abdurahman says to bring waste in from other provinces, and the Conservative government getting all embarrassed that I had the audacity to suggest such a thing. We would never bring hazardous waste into the province of Alberta from other provinces. My argument at that time was that when I leave Alberta, I want to go into a clean British Columbia or a clean Saskatchewan or a Manitoba clean from hazardous waste. That government, which was a Conservative government, told Albertans: we will never import hazardous waste into the province of Alberta.

Now, Mr. Speaker, my point that I want to make is that this government has no integrity. It's not a government that you can trust, because when it suits them, they change their philosophies; they change their policies. You just need to look at what the Member for Vegreville-Viking says about this whole subject. He doesn't trust his own government, but he sits as a private member. The Member for Calgary-Varsity says – and it's all documented in *Hansard*, May 24, 1994 – what he thinks about this deal. I could go on. The Member for Cypress-Medicine Hat also questions the integrity of this government. Well, let me tell you that every Albertan should be questioning the integrity of this government. The audacity, when you can go out and give corporate welfare on an ongoing basis based on political affiliation and then turn around and tell our children that they can't have kindergarten.

We've started to see the beginning of a two-tiered health care system. I'll use an example right in my own constituency – and I hope we'll be able to get a policy statement on this eventually out of this government – where we see private-sector people leasing space within our local hospitals. Is this a free enterprise government sitting over there? I want to know what policy allows publicly funded institutions to rent out space in the local hospitals. This is just the beginning, I assume, of the community health care centres. Have they taken into consideration the substantial investments? The private-sector people have had confidence historically in this province. They've gone out there in good faith, invested dollars, and then suddenly we're seeing facilities that are publicly funded leasing space out. Give me a break. You don't even know how to run a hazardous waste treatment plant, and now you're getting into the business of leasing space in our public health facilities. Is it going to be schools next? We know you're looking at privatization of jails.

So let's look at the integrity of this loan. It's obscene, to say the least. I don't know how anybody who believes in the free marketplace sitting on that side of the House could ever be a party to an agreement like this. Either you were sound asleep in Executive Council when it was done or you weren't even there when it was done. I would defy any logic why anyone would want to sign a loan agreement of this nature and once again risk our social programs because of bad investments by this government.

And it's not your money; it's the people of Alberta's money. The obscenity is that, before, we could actually give loan guarantees to people. We could make sure that the political system was healthy and well. We could also ensure that those donations would come. What have you got left now that you've broke the province? Nothing other than this route that you've gone with your hundred million dollar loan guarantee. That's probably the last one, and I hope – excuse me, Mr. Speaker; I was going to say hope to God – it is the last one.

What we're seeing now is the next level of patronage, and what this is? It's through your privatization. We saw it to some degree with the liquor stores. We're going to start seeing it in significant other areas, where people are going to benefit directly through privatization. I just wish that Albertans would waken up and realize what this government's up to.

#### **Point of Order Imputing Motives**

MR. DEPUTY SPEAKER: The hon. Minister of Municipal Affairs.

DR. WEST: Yes, under Standing Order 23(i). There's an impugned motive that is by vague representation directed towards this minister in stating that there was something in the sale of the liquor stores that – what did you say? – demonstrated favouritism or something else. I want that clarified, because I believe that breaches my rights in this Assembly.

MR. DEPUTY SPEAKER: Hon. Member for Clover Bar-Fort Saskatchewan, do you wish to reply to the point of order?

MRS. ABDURAHMAN: Mr. Speaker, I'm not quite sure what the point of order is, but I certainly note his sensitivity.

4:30

MR. DEPUTY SPEAKER: The Chair will – oh, Hon. Deputy Government House Leader, on the point of order?

MR. EVANS: You've ruled on the point of order? You're in the process? Go ahead. Thank you.

MR. DEPUTY SPEAKER: The Chair would defer the ruling on the point of order for the moment inasmuch as the Member for Clover Bar-Fort Saskatchewan chooses not to reflect further on it. The Chair must apologize for not paying as close attention to the details of the speech as would be necessary to give a proper ruling. Therefore, we'll defer this until the *Hansard* is available for further reference.

#### **Debate Continued**

MRS. ABDURAHMAN: Thank you, Mr. Speaker. What I would put to this Assembly is that the issue of the next decade is indeed going to be public health related to our environment. I believe that this government would spend its time wisely if we started to look at those major issues. I could take the members of this Assembly out to my own constituency and show you a humongous pond of gypsum. The hazardous waste that's being treated in the Swan Hills plant is only a small portion of a significant environmental problem that we have not just in the province of Alberta but probably worldwide. To suggest that we have to look to the private sector to correct those problems after the fact is where the folly lies. What we must do as people who are elected to this Assembly is ensure that when we go into new ventures, we have the most up-to-date waste management that we possibly can find, whether it be in the oil and gas industry or the petrochemical industry or any form of mining or forestry. That's the focus.

We must also be ensuring that we have the most up-to-date technologies at our fingertips. We shouldn't be going out searching after the fact. That's what we did when it came to hazardous waste in the province of Alberta. We had to go out seeking at that time to find where the new technologies were. We should be on top of those issues. We should know where the most up-to-date research is, the most up-to-date technologies.

Thank you, Mr. Speaker.

MR. DECORE: Mr. Speaker, I'm going to address one issue here. There are two issues involved in the Swan Hills matter. There's the environmental issue, and much has been said of that. There seems to be a tendency for the Premier and ministers to mix apples and oranges, to revert to the environmental when there's a little trouble that they get themselves into on the economic issue.

My focus is on the economic issue when I speak this afternoon in the Legislature. First of all, let's review the role of government, the temper of the times going into the last election. We had a government squandering money on NovAtel. We've got government involved in steel. We've got government involved in lamb processing and telephones and riverboats and uniforms, in lasers, in computers. The list goes on and on and on. So the temper of the times, the mood of the times, is one where Albertans are very watchful. The government is pretty sensitive at this time to an electorate that is saying: "Hey, you've squandered money. Don't give out these loan guarantees. Don't get yourselves into the business of being in business." So we go into an election, and the Premier and many of the members across the way use that as a theme. They say that they won't be in the business of being in business, that loan guarantees are finished, that this thing is all over.

Now, even comments that are made by hon. members – one comment that's interesting for me to note is a comment made by the Member for Cypress-Medicine Hat. He said in this Legislature on May 24:

We made a promise to Albertans that we would no longer offer direct assistance to business, we would no longer offer guarantees to business, and we are fulfilling that promise.

So promises made before the election, promises made by backbenchers and even ministers after the election said: "We're not going to be in the business of getting into business. We're not going to be giving out loan guarantees."

Then we get a statement made by the minister of finance, who says in *Hansard* on October 25:

In fact there has only been one loan guarantee provided by this government during the time that Premier Klein has served in office, and that is the loan guarantee that was provided directly to Canadian Airlines International.

Then this thing really gets interesting when you listen and look at some of the things that the Deputy Premier has said with respect to loan guarantees on this matter. This is quoted in the *Calgary Herald* on August 30, 1994. He says: I don't even remember this at all; I have no knowledge of this. Kowalski's only explanation is that Bovar's partner in the Alberta Special Waste Management Corporation doled out the guarantee, which he says wouldn't have needed cabinet approval.

[Mr. Clegg in the Chair]

Now, Mr. Speaker, what's most interesting to me is to watch the Premier stand up and talk about letters, letters that he filed in this Assembly today. First of all, let's look at the letters. The letters that he filed are the letter dated October 12 that he sent to the Acting Auditor General and the Auditor General's letter back of October 17. It's unusual to see a Premier engaged in a letter debate with an Auditor General. "You said this." "Well, I didn't really mean that." "Well, you said this. What did you mean?" A debate between an Auditor General and a Premier in letter form is most unusual to say the least.

Anyway, the Premier says of the Auditor General: you made some comments. You said that the loan guarantee was new. I don't think it's new because of such and such.

Then the Auditor General responds, and what surprised me in today's comments by the Premier was that he used this as a defence to his position or his government's position. This is no defence, because the letter of October 17 from the Auditor General says very clearly:

In my opinion, the guarantee is new, though I can understand that the origins of the guarantee could be construed as emanating . . . I guess if you're foolish, if you're not cautious, if you don't care, if you're negligent, you could construe this as emanating . . . from the original 1987 joint venture agreement.

Then he says again, in the third paragraph:

The guarantee is new because an April 1993 Creditor Agreement between the Corporation, Bovar and the Royal Bank of Canada states that the guarantee was provided "to induce the Bank to enter into financial arrangements with Bovar." Bovar was seeking additional borrowing to fund its share of the cost of expanding the Swan Hills facility. The Creditor Agreement also indicates that the Bank was unwilling to advance additional funds unless the Creditor Agreement, which included the guarantee, was signed.

The Royal Bank put the squeeze on the province of Alberta, and the province of Alberta knuckled under to a huge corporation that could provide its own bank loan guarantees and then some and signed a guarantee.

Now, Mr. Speaker, the onus is on the government, a government that has all kinds of lawyers and accountants and experts and clerks that can give you advice on what is a loan guarantee and what isn't a loan guarantee. The onus is on the Premier to come forward and say, "Well, here's the part in the agreement between Bovar, between the Royal Bank, between us that compelled us,

compelled us to sign another loan guarantee for \$100 million." In fact, there is no such compulsion. There is no such clause. The Royal Bank snookered a Premier, snookered a cabinet, and snookered a lot of backbenchers who didn't even know what was going on.

4:40

So, Mr. Speaker, it's not good enough for the Premier to stand in this Assembly or for ministers to stand in this Assembly and say: "Oh, we had to do it. It could be construed as we had to do it." It could be construed as nothing but "you were snookered." Admit it. Admit you made a mistake, like one hon. member did from the other side who said, "We lied; we made a mistake." Admit your mistake. Tell people that this was an error, and let's get on with the business of running Alberta.

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

MR. KIRKLAND: Thank you, Mr. Speaker. It's my pleasure to speak this afternoon to this particular matter. It's one that's been in the minds of Albertans, as the hon. Member for Sherwood Park indicated, dating way back to about '85. As we look at the chronological unfolding of this particular Swan Hills waste treatment plant, it was wrought with difficulties from day one. It was a questionable undertaking back then, and it is again a questionable undertaking today. When we look at some of the red flags that were surfacing when the hon. Member for Barrhead-Westlock was the environmental minister, that should have given us good indication there was a new direction to take on this particular matter. They had difficulties with the board, as the hon. Member for Sherwood Park indicated. Several members resigned; one was fired. We look at the difficulties they encountered shortly thereafter with the technologies that he outlined there. The hon. Premier took over as the environmental minister shortly thereafter, and we continued to plug along and plug along with an obvious dog, as it was described earlier here. It was the hon. Premier that pushed for expansion, and he pushed for expansion based on the fact that this was to deal with Alberta waste and Alberta waste only. Well, there was some misleading at that particular point, and I would suggest that it's growing today.

As I view this, Mr. Speaker, it was an insidious cancer that could have been addressed and corrected and cut out a long time ago. We have one mistake after another mistake, and this litany of mistakes has prevented the courage and the intelligence, I would suggest, to stand up and turn the clock back or stop it before the taxpayers of this province are into another expenditure. I think that's particularly galling in today's world when the citizens in this province are concerned about their health care, concerned about their education, when seniors have to take to the steps of the Legislature and actually ask for divine intervention because they feel that this government is not looking. I think it's a poor, poor example of government, and I think it is long overdue that this government started to listen.

In spite of those red flags that continually popped up in this debate, Mr. Speaker, I found that there's been a lack of courage or intelligence - I'm not too sure which - to actually stop the project. Certainly we had many knowledgeable experts indicate we shouldn't be proceeding down this path. We had many professionals indicating we should not proceed down this path. We have individuals today suggesting that in fact the technology that is being used there will be outdated very shortly. There are very obvious other areas that can treat the wastes in a more efficient manner.

So the whole matter perplexes me, and I would say it disturbs me to some degree. It perplexes me and disturbs me that reportedly successful businessmen, like the Siemens\* and the McCuaigs, of Alberta continue to draw upon the public purse. I would have to ask, if they were here today, where their public conscience is in this particular matter. I think it's long overdue, if Alberta citizens are to get on board and to help deal with this deficit, that friends of government who have been the recipients of so many dollars over the last 20 years also play their part in this particular aspect. They continue to suck the dollars out of the province. I think this is distressing, and also it's perplexing to me.

I have a large amount of respect for many of those members beyond that front bench. I can recall many of them standing in this House proudly and boastfully telling us how they in fact campaigned on the fact there would be no more loan guarantees by this government. Well, I'd have to ask them today where they checked their courage and where they checked their integrity and where they checked their intelligence, and why aren't they intervening in this issue. They can clearly see that it's a bad deal. They can clearly see that it's going to cost the taxpayers of this province a considerable amount of dollars unnecessarily. They apparently were elected under the same mindset and the same aspect that I was elected; that is, let's bring some good, cost-efficient government to the province of Alberta.

So I'm concerned that in fact they seem to have fallen into line so readily, and I'm concerned that they haven't stood up. They've sat back passively, and we're going to watch Albertans take another financial bath. It's a bother to me because I have some respect for them, Mr. Speaker.

The other thing in fact I spoke of earlier, Mr. Speaker, and it's very concerning to me. We have good documentation today that this is the wrong area to proceed in, with the expansion of this plant, in light of the fact we have far more efficient technologies to deal with it. We are progressing daily on that particular matter, and I would suggest that now is the time to stop this particular insane venture. I run into it often when I'm on the streets, and this certainly is a topic of conversation with the public. The public asks me often: "Terry, why, why are we carrying on with this crazy \$100,000 investment? Are there politicians getting rich at this?" I say, "Well, I certainly don't have proof or documentation that's the case, and I can't answer that question." But it does beg to be looked at very closely.

So, Mr. Speaker, I stand in this Legislature and one more time I attempt to take a very frugal approach to the expenditures of the Alberta taxpayers' dollars. I wish more of the members on side opposite would take it. They certainly talk at great length about it. They have put Albertans into a great state of worry and concern as we cut and we hack. Yet we have a look at something like a \$100 million loan guarantee, and it would seem that we have not learned our lessons from the last loan guarantees in this province that have put us into this very present state.

Mr. Speaker, I would ask every one of the members, on side opposite particularly, to have a very close look at it. This is a chance to stand up and be counted. This is a chance to go to bat for Albertans. This is a chance to be good stewards of the Alberta taxpayers' dollars. I think this is a classic opportunity. This will send the message to all Albertans, and I would suggest it'll probably get them re-elected. But if they don't have that courage to stand up and be counted for it, then in fact I think they will pay the price. There's no doubt they were reeling from the other loan guarantees, and they're walking the line one more time.

It's quite all right to make a mistake, but if you don't recognize a mistake and you don't profit from it, it really is a suggestion that perhaps the intelligence isn't there to analyze it.

Mr. Speaker, I would conclude my comments by again appealing to all members that feel they are here to be good stewards of the taxpayers' dollars to grab this opportunity and be those good stewards of those taxpayers' dollars.

Thank you.

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

MR. WHITE: Thank you, Mr. Speaker. We've heard today from both sides of the House in speaking on the ethics of this particular issue. We've heard what's behind the business of this issue. We've heard about the simple common sense and about a number of areas where the government's not willing to back down. We've heard a number of these things, and my colleagues have dealt with those very well.

I would prefer to deal with a simple matter of politics and science. It's the old oil and water. No matter how much you shake that jar, they're still going to separate out. Unfortunately, the only people in this room that can understand very much about science don't seem to have ever applied themselves to this particular problem. We're dealing with the optics and the chemical bogeymen that this society has produced and the scare tactics that go along with that. Certainly there have been a number of scares, and I can point to PCBs and a number of other chemicals that are labeled in the press as the worst thing and you can die if you come within close contact, within a mile or so. These things have been carried to the nth degree.

In this particular instance, in the early '80s, it was thought that, yes, we had to be environmentally responsible. True, that in fact was the case at the time and still is the case today, but it's got more to do with science and less to do with politics and big business than one would be led to believe. The optics, to coin a phrase, of this particular situation is that you can always be on the side of the angels if you want to protect the environment, until it costs money. Then incrementally you start eating away at what works for society, spending money in the areas that are required, as we heard in a member's statement from the other side today talk about early intervention in child education. The money that's spent in a number of areas – in this particular area, \$100 million, as was pointed out – spends an awful lot of money to go to solving that particular problem in this society.

4:50

Without making that judgment – and judgments in this particular area of science are very, very difficult to come by. It's just not passed off holus-bolus and throw this stuff in a bin and burn it at the highest possible temperature and everything will work out. Well, yes, of course almost all chemicals break down under high temperatures and oxidation, but the facts remain that some of them don't have to be. Subsequently we find that, unbeknownst to most of us in this room, the wastes that are generated in the oil field in fact need not be shipped up, but when the decision was made to expand the plant, of course that was the major rationale. We all heard that. I happened to be in another position at the time in this province, but I heard it loud and clear. They were using all of these arguments to build this ridiculously overlarge plant and then have to supply it from all over Canada when we're not too sure exactly what has to be burned. And to get into the business of

\*This spelling could not be verified at the time of publication.



this, this is just the worst possible joke you could play on a citizen of this province that is not doing particularly well. Their money, the money that is supposed to be destined to help them through this life, whether it be from the heritage trust fund or from any other fund of this government, is going to be spent, ridiculous amounts of money, \$2,000 a barrel or better, to dispose of some material that is questionable whether in fact it has to be disposed of in that manner.

Those judgments certainly can't be made by people in this room, and certainly they have to be revisited over and over and over again. I see nothing, certainly nothing that has ever come across my desk at the Legislature, that leads me to believe that this government has a handle on the chemical bogeyman that is coming up to grab us all and how to deal with this being environmentally pure. I mean, it really is a travesty that we can spend – because we had at the time those kinds of moneys to spend in these kinds of areas – and that this bad joke has been perpetuated to the point such that we've just seen another loan guarantee.

I think if the members of that caucus really had time to analyze the situation at that time and do a real conscious search on it, they may have come up with a different solution to the problem. Unfortunately, we're down that road, and at this point there have to be some other decisions made, and it can't be simply partisan: this side says this and that side says that. *Bovar* is a nasty word with the public today, and most people don't understand it. Most people, the people who live in my constituency, which is pretty well stucco bungalows from one end to the other, don't understand all there is to know about the chemical interactions of various chemicals that this society produces. What they do understand is that there has to be somebody within these four walls that they can trust to make those judgments. In my view, from a technocrat, this government has done an awfully poor job in analyzing the risks involved in dealing with these chemicals and dealing with them straight up.

Mr. Speaker, there are many more things to be said about the business of this venture, but it has been said by a number of people on this side, and I'll leave it at that.

When you can put the technical merit of something up against the dollars involved, technical merit always loses. In this particular instance, dealing with the environment, it's a very fine balance. You cannot just arbitrarily assign some kind of a value to some future chemical's half-life in society and how it goes through any food chain. To do that analysis takes a great deal of time and effort, and the time and effort, in looking through the ERCB hearings on this one, doesn't lead one to believe that that kind of consideration has been gone through at all.

Recently, I have to admit, I have some signs of the department of the environment and the leadership of that department being a little better off than it has been previously. There seems to be some sense that there is some rationalization that must occur between the dollars that are spent and the protection of the environment. It can't be just as one minister, I think the Deputy Premier, said recently: whatever it takes to have this clean environment. I mean, those kinds of superlatives do absolutely nothing. A grade 9 student in chemistry will understand that there is no such thing as pure, pure, pure, and that seems to be the attitude of that particular minister. It's fortunate that the ministry has moved on into other hands now and that the current minister does not seem to – at least I haven't heard him espouse that same kind of view.

When common sense deals with these matters – I mean, it's a matter of evaluation of chemicals, yes, but in common sense one has to in the final analysis decide how many dollars go into a venture and how many dollars go into early childhood education,

and this particular piece of work is an absolute travesty. We'll read about it years and years and years from now saying that this is the exact opposite of the way one should deal with an emerging technology; it's putting all your eggs in one big, big basket.

At the same time this was going on, we saw a number of other things that erred equally poorly on the side of caution here. I note one that I know a great deal about, and it's the general nonhazardous waste in the city of Edmonton and the government turning down an application for that one. That was absolutely ludicrous. On a technical basis it was just ridiculous. On the same day, on a Friday back a number of years ago, as the department announced that they were going to turn down that application from the city of Edmonton – which, incidentally, could prove and had all the experts lined up to prove that there would be less than one litre of questionable, poor-quality effluent coming from that particular site – on that same day they approved an Al-Pac application that proved to have thousands upon thousands of litres, something like 25,000 in the first instance and up to 40,000 litres, of contaminated waste put into an active stream. Now, I didn't review that particular application to the same extent as the first application, so I can't say whether it was the right decision or the wrong decision, but in order of magnitude this is absolutely ludicrous. It's again a case of politics and science being the oil in the waters, that we should in fact do a much, much more in-depth understanding of what the politics and the science are all about.

MR. ACTING SPEAKER: The hon. Acting Leader of the Official Opposition.

MRS. HEWES: Thank you. Thank you for acknowledging that, Mr. Speaker. I'll leave you lots of time, Mr. Minister.

Mr. Speaker, I'm surprised and I'm a little puzzled here. I'm pleased to see the minister jump up, and I will in fact in a very short time yield to him, but we haven't heard from any members of the government. They were eager to support the notion of the debate, and I was pleased about that, but you know, it occurs to me that we can question why no members over there want to speak. We can sort of ask, and I've been musing about it as I sat here. I'm not sure if the members over there are indifferent to the subject or if they're smug about the subject or if they're embarrassed about the subject. Perhaps they have no defence, Mr. Speaker. Perhaps there is no defence or, which may even be closer to the truth, perhaps they agree with us. Perhaps they agree.

5:00

Mr. Speaker, this has been a very interesting history, and I'd just like to comment on a few of the things in the background of the chronology of the Swan Hills plant, because I think the history of it yields to us some clues about what's gone on here and what's gone wrong and where it's gone wrong. It goes back to 1980, as you know. Interestingly enough, in '85 after the Environment Council told the government that such a plant as this should be operated by the private sector in order to achieve efficiency, the council, however, recommended a Crown corporation, part of the Member for Clover Bar-Fort Saskatchewan's commentary, to be a part owner of the plant with an arm's-length relationship with the private sector. However, the Crown corporation would spend no more than \$1.3 million per year to enforce safety standards and to test new technology, and those things were laid out very clearly.

By 1985, Mr. Speaker, the

Woods Gordon report advises against the Alberta Special Waste Management Corporation entering into a joint venture deal with Bow Valley Resources.

Their quote is, "We do not think it is the most prudent financial or business decision from the Crown's point of view." In 1985. In spite of that, we go ahead. We manage to find some way out of that very condemning report, and we go ahead.

In '85 John Elson, who is the head of the Alberta Special Waste Management Corporation, is fired. He's terminated by the environment minister of the time because he opposed the deal with Bow Valley. He said that it was an extremely poor deal for Alberta taxpayers. Now, here's a kind of forerunner of NovAtel, Mr. Speaker. Here's a government getting into a business that they don't know enough about and getting into a financial deal with a private corporation that was a sweetheart deal from the beginning. They didn't know enough about the technology. They didn't know what they were getting into. The results – the proof is in the pudding, all the way down the line.

Mr. Speaker, in '87 the facility began operations. In 1989, two years after, here's a *Financial Post* article on the plant. It says, "Alberta declares incinerator" to be a "white elephant." The only thing that we can be absolutely sure of is that we're not going to be right. I mean, we knew in 1989, so why are we persisting with this charade? But Bow Valley restructured their operations that same year. In June of '89 the government review of the joint venture rate of return is not conducted by the then minister of the environment, now the Premier of this province. In 1990 we have a new rotary kiln installed. In 1990 again Chem-Security says: "We want to expand the plant. We want to expand it." The same year the minister of the environment – guess who he is – the current Premier, says, –This expansion is needed to deal with Alberta wastes and Alberta wastes only."

MRS. ABDURAHMAN: What was he smoking or drinking?

MRS. HEWES: Smoking something? I don't know.

There were NRCB hearings into the expansion, and then in 1991 when the minister of the environment was proposing changes to the special waste management Act, he said:

It is not the intent of this legislation to extend to private sector operators loan guarantees or indeed any other form of financial assistance.

June 11, 1991, Ralph Klein. Now, what's the story since then? Well, in my view, Mr. Speaker, there was insufficient justification for the expansion at that point in time, but it went ahead.

In June of 1992 there were claims that with expansion Swan Hills will be able to achieve a profit by 1996. Again Ralph Klein, June 9, 1992, says:

I can assure hon. members that with the expansion we should be in a profit mode by the year 1996. Our people think there is a waste stream sufficient enough to sustain the plant for many, many years to come.

Well, let me tell you, Mr. Speaker, Chem-Security says that we will have a 16 and a half million dollar taxpayer subsidy in 1996. How do you put those two statements together? The answer is: you can't. He was dreaming. We were dreaming. But that deal had to be perpetuated.

Mr. Speaker, the litany and the story go on and on. The joint venture agreement was reviewed, was continued. The Klein cabinet in June of 1993 – and we've heard this today – approves the amended joint venture agreement including the loan guarantee.

Mr. Speaker, I think the Premier's statements have been alluded to by other members of the caucus, and I won't go through them. Other members have indeed spoken about some of the statements made by government private members, and they are very curious ones. I'd just like to refer to a few.

In September of '93 again the protest from the Premier, "We have stated quite clearly that we want to get out of the business of being in business." This has become a buzzword. The Treasurer

uses it every chance he gets. The Premier uses it every chance he gets, but the evidence isn't there. The evidence is quite to the contrary.

In February of '94 the Premier again says in this House, "As a matter of fact, this government, outside of Pacific Western Airlines . . . has not granted a loan guarantee." So what was the 100 million dollar loan guarantee to Bovar? What kind of magic or semantics are we using? Today we hear – and the Member for Edmonton-Glengarry has spoken to it – the letter quoted from the Auditor General. It doesn't say anything that the Auditor General didn't say before, and that is that this is a new deal, that this is a new guarantee. This is not simply a continuation of the earlier arrangement. There is no question in my mind about that or in anyone else's mind that has read the documents.

Mr. Speaker, I tabled the documents today, and I encourage members to look at them, because it's unequivocal. This is a new arrangement. This has nothing to do with the former deal, and for the Premier to stand up here and argue that it has I think is offensive to the people of Alberta because we in fact know better than that.

Mr. Dinning in March of '94 said – and I can hear him say this in that wonderful righteous tone he gets:

The facts say something loud and clear, and that is that the government should not be in the business of business, and that is why under the leadership of the Premier of this province this government is getting out of the business of business and leaving it in the hands of business, where it belongs.

Well, did they? Did they?

Mr. Speaker, just to finish, I think the people of Alberta feel that they've been had, that the Premier has broken his promises, and I think it's not just promises to taxpayers but promises to his own caucus as well. He's broken those promises.

Mr. Speaker, finally, he can't have it both ways. We have to come clean about this with the people of Alberta, because they are in pain out there, and they're not going to put up with this. I think they now know and I hope the government knows that the jig is up.

MR. ACTING SPEAKER: I'm sure that the Acting Leader of the Official Opposition used terms. There are no names used in here, and I'm sure the member knows that. She was referring to Mr. Dinning, and I'm sure she meant the Treasurer.

MRS. HEWES: Sir, I apologize. I meant to use the term "Treasurer."

MR. ACTING SPEAKER: Okay.

The hon. Minister of Environmental Protection.

MR. EVANS: Thank you very much, Mr. Speaker. I'm very happy I have an opportunity to rise to discuss this really quite important issue and to deal with some of the rhetoric that I've heard all this afternoon from the Liberal opposition on the other side.

I want to make a couple of points, though, that I think are important to me. Number one, the Member for Clover Bar-Fort Saskatchewan went through a very good history of the reality of Swan Hills, a very good history, and I'll allude to that a little bit more. The bottom line of that discussion, of course, is let's not just think that we've come into the Swan Hills operation today, the 18th day of October, 1994, or the 18th of October, 1993 or '92. As the Member for Redwater mentioned and as the Member for Clover Bar-Fort Saskatchewan mentioned, this has been going on for quite some time. This was an issue, Mr. Speaker, that Albertans took on voluntarily. They said: "We have an environmental responsibility. We want to be at the top of the heap when

it comes to accepting our environmental responsibility and doing it in a way that is state of the art." This is still the state-of-the-art facility in North America. It is the state-of-the-art facility in the world.

When the hon. Member for Edmonton-Whitemud says, well, why don't we just send the stuff down to Kentucky or anywhere else he wants to send it, he doesn't recognize that one of the main reasons that industry will continue to utilize the treatment centre at Swan Hills is because the treatment is 99.99999 percent effective. It is virtually one hundred percent pure. And you know what? Industry doesn't pick up any kind of continuing liability. Once they submit their waste which has been properly manifested and identified as a hazardous waste which can be treated in that facility, once that waste is on its way, that is the end of the responsibility of industry. That's one very important reason why industry in this province and others are very, very interested in the Swan Hills hazardous waste treatment facility.

**5:10**

What we have to remember insofar as the \$100 million guarantee, Mr. Speaker, is very well stated by the Acting Auditor General. He has stated – I'm just trying to find it here amongst the many pieces of paper I have on my desk – that the agreement that was in place, the original joint venture agreement, was a contingent liability upon the government of the province of Alberta to acquire the asset of the joint venture partner. He went on to say that this is an obligation which has continued into the new agreement. I'll find it as we go along here. The very important sentence in that letter from the Acting Auditor General is on the bottom of the first page and goes on to the second page. It does very clearly state that this is a continuing liability, and indeed it is. Back in the early 1980s the decision was made that it was proper to build this facility. The joint venture began in '87. There was a provision that the rate of return provision would be reviewed in 1989. Because the joint venture partners were not satisfied that they had a very clear picture of where the volumes were going, they decided on a year-by-year basis to defer a decision on the rate of return until such time . . .

MR. ACTING SPEAKER: The hon. Member for Redwater has a point of order.

**Point of Order  
Clarification**

MR. N. TAYLOR: I was just wondering if the hon. member would clarify a point. Did he say that the Auditor General made a mistake?

MR. EVANS: I was pointing out what the Auditor General in fact did say, hon. member.

**Debate Continued**

MR. EVANS: I've found it now, and I will state this for the record, Mr. Speaker. It's very important.

In other words, in certain circumstances the Corporation could have been required to purchase Bovar's share of the joint venture. Accordingly, even though the Bank was not a party to the joint venture agreement, the Corporation had a contingent liability regarding Bovar's bank indebtedness, to the extent that it existed prior to the expansion. Therefore, the new guarantee replaced the original contingent liability in addition to covering the indebtedness from the plant expansion.

Now, that was very clearly understood by Albertans at the time of the review into the expansion. There was already a joint venture. There was already a joint venture agreement back in the late '80s and into the '90s.

Because this government wanted to have an open and a transparent review of the application for expansion, this question was put before the Natural Resources Conservation Board. In fact, it was the first review by the Natural Resources Conservation Board. That board, having before it all of the information that was brought to it by citizens of Alberta, the proponents, came to the conclusion that based on Alberta waste only, because that's the policy of the day, it was in the public interest to expand the hazardous waste facility at Swan Hills based on social, economic, and environmental considerations.

Now, that is part of the reality of the past. The reality of the present is that colleagues of mine in virtually every part of Canada are talking about having access to that facility to treat in a totally effective and thorough manner the hazardous waste in their jurisdictions, and that goes beyond, Mr. Speaker, political boundaries. We are talking about Liberal governments. We are talking about NDP governments. We are talking about Conservative governments. It goes beyond, because outside of this Assembly there is a great deal of concern for treating our hazardous waste as effectively as possible.

**Point of Order  
Clarification**

MR. DECORE: Mr. Speaker, *Beauchesne* 405. I wonder if the minister would answer this question, because he seems to be putting a spin on the letter from the Acting Auditor General that is at variance with what he's saying. My question is this: are you saying, Mr. Minister, that the Acting Auditor General is wrong when he says that the guarantee is new? [interjections]

MR. ACTING SPEAKER: Order. We have a little confusion in the House. The hon. Member for Redwater did have a point of order, and I shouldn't have allowed the hon. minister of environment to continue without dealing with that point of order. However, I was listening very carefully to what everybody in the House said, and I don't believe those words were uttered by the minister of environment. If you want to bring that topic up tomorrow, then we'd have to review the Blues. He did say the Acting Auditor General, but I didn't hear him make a mistake. So I was expecting the Minister of Environmental Protection to comment on the point of order, so if you want to, bring that forward on the point of order once the Blues have been reviewed.

Now, hon. Minister of Environmental Protection, on the point of order of the hon. Member for Edmonton-Glengarry.

MR. EVANS: Thank you, Mr. Speaker. Quite frankly, I believe that both of the points of order are basically the same. The hon. members who have raised these points of order would have us believe that the Acting Auditor General's letter has one very small comment in it and that that's the end of the letter. They would have us believe that the letter reads, "In my opinion, the guarantee is new." Unfortunately for the opposition that's not the end of the letter. The letter goes on in the same sentence to say:

. . . though I can understand that the origins of the guarantee could be construed as emanating from the original 1987 joint venture agreement.

Then the Acting Auditor General goes on to clarify what he's talking about. Those are the references that I have made, and I am only reading from the comments that were made by the Acting Auditor General.

In any event, when we're talking about – oh, on the point of order. Forgive me.

**5:20**

MR. ACTING SPEAKER: On the point of order by the Member for Edmonton-Glengarry it's obvious in my mind that there is a

misunderstanding either by one member or the other. Any one of us can read a letter and get a different meaning from it, so I don't really think there's any point of order at this time.

The hon. Minister of Environmental Protection.

### Debate Continued

MR. EVANS: Thanks again, Mr. Speaker. I want Albertans to know one thing about the economic viability of this operation, and I'll make a comment about what the throughput was while the eight test burns were ongoing during the spring and the summer of this year. To give the Liberals, but more particularly Albertans, some solace in this, these are wastes which were processed at capacity of that facility. The revenue was \$18 million – \$18 million dollars – which shows me and I believe anybody who had analyzed the figures that operating at capacity, this facility will make money.

There was a comment made on the other side that there's a continuing subsidy for waste distributors that bring their waste into the Swan Hills facility. Absolutely incorrect, Mr. Speaker. There is no subsidy whatsoever. There is an agreement in place that until such time as the facility is making a return on investment for Bovar of prime plus 3, there is a continuing obligation by the other joint partner, Alberta Special Waste Management Corporation, to compensate them. That is their guaranteed rate of return. That only applies for three years. Then that rate of return ends, and we get into a situation where we have a profit-making facility that the government of the province of Alberta through Alberta Special Waste Management is a partner in.

One of the most important reasons for the new joint venture agreement was to deal with some of the provisions in the original agreement that dated back to '87 and that were not felt by government to be appropriate in the times. The main one that we changed, Mr. Speaker, was dealing with the acquisition of Bovar's interest. Under the original agreement, even in a default situation if the Crown, through Alberta Special Waste Management, were to acquire Bovar's interest – in other words, take over a hundred percent ownership of the facility – the Crown would have to pay 10 years' profit. Under the new agreement it is the depreciated value of the asset, one of the most important provisions on the renewal.

Given the hour of the day, I would now move that we adjourn debate.

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

MR. SEKULIC: Thank you, Mr. Speaker. I was compelled to rise and speak to this motion because not getting up to speak to this motion on Bovar and the government's wrongdoing would be like being in this Assembly some years ago when NovAtel was before us and not rising to speak against NovAtel.

When I first heard of this new loan guarantee, I was disappointed and quite angry but perhaps not as shocked as some of my colleagues across the floor who sit as private members. It's shameful that such a fundamental election promise being made by both parties now represented in the Legislature was broken by the party that was elected and formed government. "No more loan guarantees," "out of the business of being in business" went from being promises to rhetoric to outright, in the Premier's own words, "fertilization."

The claims of the Premier, the Deputy Premier, and the Treasurer must now be questioned. This is not simply about a hundred million dollar loan guarantee. It's about a broken trust. It's about a lack of openness. It's about what such commitments

and the subsequent losses of this nature will result in and have resulted in in the past. When you cut seniors' programs, kindergarten, dismantle education, and threaten access to quality health care for Albertans, we must look to the broken trust, the lack of openness, and question the government's integrity.

AN HON. MEMBER: You should be running for leader.

SOME HON. MEMBERS: Peter. Peter. Peter.

MR. SEKULIC: I must commend, however, if they'll just give me a chance, those members who just chanted that and who questioned the obscene continuation of old Tory ways. They are the few who may have rightfully earned and kept the trust and the right to continue to represent their constituents. Private members such as Calgary-Varsity, Cypress-Medicine Hat, Olds-Didsbury, Vegreville-Viking, Calgary-Shaw would do well to sit down with the Premier and the Deputy Premier and the Treasurer and read their words back to them and ask them to explain the \$100 million discrepancy between what they said and what they and the other ministers did through order in council on June 23, 1993.

Just to recap those words that they could read back to the Premier and his collection, this is in the Premier's own words:

As a matter of fact, this government, outside of Pacific . . . Airlines . . . has not granted a loan guarantee . . . As a matter of fact, we have stated quite clearly that we want to get out of the business of being in business . . . The policy of using financial intervention to drive an industry may be considered officially terminated.

Those are the Premier's words.

A little bit later the Deputy Premier said, "There are no loan guarantees: zero, big zero." I remember watching it on TV.

But let me just underline it again: there are no [loan] guarantees done by this government under the policy announced by the Premier of the province of Alberta.

Now, I'm sure that's not out of context.

Then the Treasurer goes on to say:

In fact there has only been one . . . guarantee provided by this government during that time that Premier Klein has served in office, and that is the loan guarantee that was provided directly to Canadian Airlines International.

Well, the Auditor General I think has found a discrepancy there.

The government's own private members, the opposition, and most importantly Albertans who are suffering from the cuts of the government are owed an explanation. Quite frankly, I don't think one is possible. It has become an issue of integrity, an issue of broken promises.

I would encourage all members to look back to their election brochures. Recall your speeches and commitments that you made at town hall meetings. Remember the commitments that you made at the doors. Many of us came here some time ago to be part of changing the government. This loan guarantee is a reminder that those who make the decisions are stuck in the old Tory ways. Those are the old Tory ways that Albertans thought they had voted out.

Now, I can just offer one piece of advice before I close and come to an end here. I think the Treasurer would do well to change his jingle, the one he's so proud of: out of the business of being in business. Perhaps more appropriately he should be telling Albertans: Bovar, back to the future.

I thank you for your time.

[At 5:29 p.m. the Assembly adjourned to Wednesday at 1:30 p.m.]