

Legislative Assembly of Alberta

Title: **Wednesday, October 18, 1995**

8:00 p.m.

Date: 95/10/18

head: Committee of Supply

[Mr. Tannas in the Chair]

THE CHAIRMAN: Hon. members, I'd like to call the committee to order.

head: Supplementary Estimates 1995-96

THE CHAIRMAN: We have under consideration the supplementary estimates, general revenue fund, 1995-96, dealing with the three listed departments of Environmental Protection, Health, Transportation and Utilities.

The first speaker this evening is the hon. Member for Edmonton-Norwood.

MR. BENIUK: Mr. Chairman, during the current debate on the supplementary estimates I will concentrate on the request for the expenditure of 147 and a half million dollars for the Swan Hills plant payout agreement.

Point 1. In compliance with the expectations of Albertans that the highest level of environmental standards exist and be enforced for their safety, I support the concept, construction, and operation of the high-tech plant constructed at Swan Hills for the safe disposal of dangerous chemicals. The existence of the Swan Hills plant in itself is not the issue.

Point 2. Both federal and provincial governments of all political parties have historically provided grants, loan guarantees, and tax concessions to Canadian and foreign companies in the pursuit of specific goals of government policy for the betterment of our citizens, be it diversifying the economy, creating new jobs, or providing a needed service or product. I support the concept of tax dollars being used to help protect our environment from the hazards of stocked toxic chemicals.

Point 3. Historically, all levels of government have established Crown corporations, joint ventures with private corporations, or subsidized private corporations in order to provide a needed service or product. Examples include the Canadian Pacific railway, Air Canada, the Alberta Treasury Branches among many, many others; hence, the concept of joint ownership. Sixty percent Bovar and 40 percent government is not unusual. Neither is the concept of a guaranteed rate of return to a private corporation, private utility companies being the classic example.

Point 4. The status quo agreement regarding the joint ownership of the Swan Hills plant cannot continue forever with continuous infusion of government funds. There appear to be three possible solutions. The government could attempt to sell its 40 percent minority share to a private corporation or consortium from the petrochemical sector that provides on a continuous basis some of the toxic chemicals being presently disposed of at the Swan Hills plant. However, it might be difficult to find a private corporation that will be willing to become a minority shareholder and maintain the terms of the contract between the existing shareholders, including that of providing a fixed rate of return to the majority shareholder.

The second option would be for the government to acquire 100 percent ownership and either operate the plant or sell it to a private consortium that provides most of the toxic chemicals to the

plant. This option is counter to the declared intent of this government of getting out of the business of being in business.

The third option, which we are currently faced with, is for the government to end its contractual obligations to its private-sector partner through a onetime payout of 147 and a half million dollars along with the transfer of its 40 percent share in the plant. This option is the most difficult politically but probably the most economical for the taxpayer at this stage. For 147 and a half million dollars, liabilities in excess of twice that amount are eliminated.

Point 5. Pursuing the option of selling its 40 percent minority share to its private-sector partner raises some fundamental questions. What guarantee has the government obtained that upon receipt of the 147 and a half million dollars, Bovar will not simply pocket the money and close the Swan Hills plant? If operational losses continue and Bovar is forced to close the plant, say, over the next few years, is there a provision that for a nominal fee of, say, \$1, ownership of the plant and all technology owned by the plant revert to the government, that can then operate it as a Crown corporation or sell it to a private-sector consortium?

The plant must not be allowed to close without a safe alternative to the disposal of toxic chemicals being in service. Environmental protection and hence the health and safety of individuals must take precedence. At present the market for toxic chemicals to be disposed of is restricted to the political boundaries of Alberta. This is due mainly to the concern over the safety of transportation of toxic waste. Technological advancement over the next decade or so could result in improvement in containment and hence reduce the risks associated with transportation and thus possibly permit the expansion of market boundaries. At that stage Swan Hills may become very profitable.

Are there any provisions in the agreement that would enable the government to recoup its financial losses to date or at least recoup the 147 and a half million dollar payout?

Mr. Chairman, I look forward to hearing the responses from the minister of the environment and the Member for Calgary-Shaw to the above questions so that an informed, logical decision can be made on the request for funds through supplementary estimates. While all sides have acknowledged the errors encompassed in the government contracts with Bovar, I do not believe that focusing on the past will help resolve this issue. The protection of the environment through the continued operation of the plant is paramount for the safety of the residents of Alberta.

THE CHAIRMAN: The hon. Member for Calgary-Shaw.

MR. HAVELOCK: Yes. Thank you, Mr. Chairman. There were a number of questions asked by some members in the House last night, and I'd like to address some of those, and certainly I'll try and respond to some of the issues raised by the hon. Member for Edmonton-Norwood also. There may well be other questions asked later, and I will try and address those later in the evening also.

I would like to start, however, with the issues raised by the Member for Edmonton-Whitemud. He did raise a number of concerns. Unfortunately, I've been working from the Blues because I didn't have available to me the official copy of *Hansard*, so I'm going to follow the hon. member's track, which he set out in the Blues, and try and respond as best I can.

The first issue that he did raise was with respect to the joint venture agreement and the value of the subsidy from 1998, '97, '96 not being included in the budget. I did inquire of the

Treasurer's department today whether there had been provision made for that, and they indicated to me that in the public accounts for '94-95 there was a section entitled Valuation Adjustments Except Pension Provisions. This amount for 1995 was set at \$279 million, and I was advised that that included the \$150 million for the ASWMC divestiture. So I think that takes care of the concern that he raised with respect to basically booking the payment this year and not in some way demonstrating that it's being captured in future years. If that answer certainly isn't good enough for him, then I'll follow up later on.

The second issue or comment the hon. member made was that he questioned why the agreement was not amended, assessed, terminated, et cetera, in 1989 or in 1993. Unfortunately, what this does is create the impression that it's very easy to terminate the agreement. The way the agreement was structured, it was drafted in such a way – and the hon. member himself admitted this – that it did not leave the government with much room to manoeuvre. In fact, the agreement provides that there can be a payment to extricate the government from the provisions of the agreement, but that's contingent on if the system contribution has been unreasonable in the past and also that there's no likelihood that in the next five years it's going to decrease. That provision is section 1302(b) in the old agreement. That's a provision that has also been preserved in the new short version of the agreement, which I tabled today.

8:10

In response to the suggestion that the Premier, when he was minister of the environment in 1993, didn't have the interests of the taxpayer at heart, I'd like to point out that there were a number of amendments made to that agreement despite the fact that the government really didn't have a lot of room to manoeuvre. Some of those changes, for example, were that the corporation could at any time lock in the prevailing interest rate in the guaranteed return on investment formula. This actually reduced the corporation's vulnerability to interest rate fluctuations, because under the original arrangement they could not do that.

Another change which was implemented in the agreement is that under certain circumstances where the joint venture earns profits in excess of Bovar's guaranteed return on investment, the corporation could recover some of the money that had been spent in the past. Unfortunately, that hasn't come to fruition. We've fallen just slightly short of seeing any profit generated.

Another change, which was made in 1993, is that a default by Bovar on its bank loan would result in the corporation having to purchase Bovar's interest in the joint venture at the lower of the bank loan outstanding and the value of Bovar's investment in the unamortized capital assets and working capital. Under the original agreement a buyout could have cost the net present value of 10 years' projected income, and that was a significantly higher figure. So, again, I'd like to dispel the impression that in 1993 efforts weren't made to improve the position of the taxpayer.

Later on the hon. member made a comment that we have a plant that is larger today "than in fact was economic for the province of Alberta." That certainly is true, although we have to keep in mind that only approximately 20 percent of the hazardous waste stream in this province is presently going to the facility. If the facility was able to capture a larger portion of that waste stream, it would certainly reduce the subsidy.

What I'd like to do, though, is remind the hon. member that in 1991 Chem-Security, the plant's operator, made application to the NRCB for a plant expansion. Now, it's important to note that the NRCB found the following: that based on its own calculations, it

agreed with Chem-Security's suggestion that expanding the facility to treat all available volumes of waste would assist in ensuring that public financial support would not be needed. It's important, because the NRCB was relied upon by the government of the day with respect to whether or not the expansion should proceed.

It's also important to note that the waste stream forecast evidence presented at the hearing was contradictory. I've spent some time reading it myself, and it's been difficult to track. Upon examining the decision, it appears that the NRCB endorsed the expansion on the basis that the projected waste streams were not contingent upon expanding the regulations to include the broader streams of oil and gas which were presently exempted. Now, that's my reading of the documentation. Therefore, despite the fact that the regulations weren't changed to capture the additional waste, the NRCB, it seemed, concluded that the waste streams were sufficient to support the expansion.

The hon. member then went on to state later on that "we are paying Bovar \$147,500,000 to take over our 40 percent share." I think the hon. member just misspoke, because I think he understands that the agreement is structured so that phase 1 is simply capping our liability at that amount. If we conclude our negotiations with respect to phase 2 successfully, then there will be a transfer in the interests of the facility to Bovar.

Now the phase 2 issues which I think are critical with respect to this discussion are, for example, environmental monitoring, profit sharing, disposition of proceeds if the plant is sold, and other matters which have yet to be negotiated.

Later on the hon. member made the comment and asked the question as to whether it made a lot of sense to pay this money to a private-sector participant to take our 40 percent share of the operating expenditure. In the House today, Mr. Chairman, I tabled a copy of the fairness assessment which Coopers & Lybrand had conducted, and I'd just like to read from that, the last page, where it indicates that

the transactions to be entered into under Phase I of the Letter of Intent by the Province of Alberta and ASWMC are fair and reasonable to the Province of Alberta.

It listed what that statement was made in the context of, that being that "ASWMC's obligations under the Special Waste Agreements" were considered, that it was the government's policy announcement that it wished to exit itself from the special waste treatment business, and also that Coopers & Lybrand felt that this was reasonable in light of "the business and financial risks attendant with continuing with the Special Waste Agreements."

If one were to look in that assessment, Mr. Chairman, the best case scenario if we were to stay in this agreement up to the end of 1998 would be a subsidy of approximately \$123 million. The worst case would be approximately \$183 million. So if you were to use just those numbers, we've come in a little better on the side of being split down the middle. However, because again it's not entirely certain as to whether or not we could exit from this agreement, you have to consider that if we had to stay in the agreement until either 2003 or 2005, the best case scenario until 2003 is \$152 million, and if we had to remain in it until 2003, the worst case would be \$293 million. So I would suggest that based on the fairness assessment, it probably does make some sense to vote yes with respect to this supplementary estimate and attempt to limit the exposure of the taxpayer.

The hon. member did ask some specific questions. One of them was that he asked whether or not the agreement extinguished on a permanent basis all of our liabilities under the joint venture agreement or whether there were circumstances under which in 1998 Bovar could in fact come back for more money. Well, quite

frankly, you can never preclude a private company from approaching the provincial government for financial support. They always have that right. However, we have structured this agreement on the basis that Bovar will be doing business with the numbered company. All obligations and liabilities under the agreement have been transferred to the numbered company with the exception of some specific liabilities, and I'd like to refer to those, the primary one being that the province will be taking over sole responsibility for cell maintenance and remediation. However, the fund of approximately \$1 million will accrue to the province to take care of that job. We are also continuing with the insurance obligations which we have under the old agreement, that if insurance is not available, we will indemnify the joint venture. However, I would like to indicate that that's certainly an issue that will be on the table in phase 2.

Another critical issue is that the province has maintained responsibility for decommissioning and remediation of Swan Hills and Nisku.

A final issue is that the loan guarantee will remain in place under the restructured agreement. However, it should be noted that at such time as the assets of the numbered company equal the amount that is outstanding on the loan guarantee, the numbered company has the ability and the option to pay off the loan guarantee. If that happens, the province can then acquire the facility from Bovar for \$1, and the agreement will cease.

The hon. member asked a question regarding the \$31 million to \$57 million worth of expenditures which were estimated for the cleanup. He then went on to ask whether or not we had established a reserve or a sinking fund. I'd refer the member to Alberta Special Waste Management Corporation's consolidated balance sheet, where it's indicated that we have included for 1995 the sum of \$7.5 million, and this sum was arrived at by basically taking \$42 million, which fell in between the \$31 million and the \$57 million, doing a net present value calculation using a 20-year operating life and a discount rate of 8.98 percent. So we have tried to set up a provision for that remediation and decommissioning in the future. However, I would like to emphasize, Mr. Chairman, that it's very difficult for us to predict what a government will do 20 years down the road. Nevertheless, we've tried to address the financial concern.

8:20

The hon. member then asked whether the agreement includes "an upside option," a claw-back with respect to profit. That is a phase 2 issue, and it's certainly one that the government will be putting forward.

He has also indicated in his comments that really what the government has done by having entered into the agreement is subsidize those who produce toxic waste. He's then suggesting that those who produce such waste should "bear the full cost of treating it." Mr. Chairman, I couldn't agree with that more. That is one of the primary reasons for exiting the Bovar agreement. Hopefully Bovar will continue to operate the facility. They'll then be entitled to charge fair market rates for the disposition.

The hon. member asked a question regarding the Royal Bank and whether the bank had indeed assumed some risk with respect to this transaction. Without wishing to disclose the negotiations themselves, I think I can safely state that under the old agreement the Royal Bank was completely insulated from risk under that transaction, and further as it was necessary to acquire the consent and co-operation of the Royal Bank with respect to this new transaction, the bank made it absolutely clear that it was not

prepared to assume any risk with respect to the revised agreements. So the bank maintained its position.

The hon. member then asked whether or not the present value calculation was based on the old administrative expenditures. I think this is quite a good question. However, we should be clear that regardless of the plant operations being restructured, it's important to note that the vast majority of the system contribution was due to three factors. One was the guaranteed rate of return based on the amount of capital invested; secondly, the payment to Bovar of its amortized portion of its capital investment; and thirdly, quite frankly there was an insufficient waste stream thereby resulting in less than forecasted revenues. Thus regardless of the administrative situation the system contribution would have continued. Nevertheless, in assuming a more efficient operation, Mr. Chairman, assuming that we're able in phase 2 to negotiate a claw-back, the province will indirectly benefit from the same in that the reduced administrative costs and increased efficiencies will hopefully generate a profit for the facility.

The final question the hon. member asked was whether or not the province would receive a remittance if Bovar reduced its costs. Again, the way the province would be able to indirectly benefit is assuming that we're able to negotiate a profit sharing or a claw-back in phase 2.

I think that handled most of the issues raised by the hon. Member for Edmonton-Whitemud.

The hon. Member for Sherwood Park raised a couple of issues, and I'll try and respond to those. The first thing that he did state is that there had not been "a full and complete answer as to how the future liabilities [have been] accounted for in 1995." It was a concern that was similar to the one raised by the hon. Member for Edmonton-Whitemud. I believe my response with respect to footnote (a) covers off that concern.

Also he did go on to ask about the liability with respect to decommissioning and site reclamation. Again that has been incorporated into Alberta Special Waste Management Corporation's consolidated financial statements, as I previously indicated.

The hon. member then asks whether or not through this revised agreement Bovar has taken on any responsibility for any of the cleanup or site remediation. I should emphasize that under the old agreement the province was entirely responsible for this expense. However, we have managed through the new agreements to basically have Bovar come to the table to participate in these expenditures.

If the hon. member would look at article 6.2 of the retention agreement, which was included in the documents filed today, it does address the issue. Basically it states that the province will "take full responsibility for all site closing, decommissioning and remediation". However, despite that, in the event that Bovar or their employees, agents, [or] contractors . . . acts or fails to act in a manner which is a breach of the applicable statutes, regulations or licences,

then Bovar will be responsible for any of the decommissioning or site closing costs resulting from that breach. So we have been able to improve the province's position, certainly not as much as I would have liked, but it's an improvement over the previous arrangement.

The hon. member then mentioned that it is our intention to negotiate in phase 2 with respect to having the province participate in future profits. He then goes on to suggest, however, that that's really a waste of time because he doesn't anticipate that there will be any profits. Well, Mr. Chairman, I would like to give some credit again to the hon. Member for Edmonton-Whitemud for supporting our position with respect to trying to have this

incorporated in the agreement. To secure such a provision in phase 2 would be prudent. Bovar feels that they can turn a profit, and if so, we would like to share in some of that.

MR. SEKULIC: Share in some of that?

MR. HAVELOCK: Yes, if they generate a profit, we'd like to share in some of that, and I assume that the hon. member would agree.

The hon. Member from Sherwood Park then went on to state that I had actually indicated that I thought this was a good deal for Albertans. I'd like to clarify, Mr. Chairman, that at no time have I in any way indicated that the original agreement was a good deal for Albertans. In fact I stated quite to the contrary today. Nevertheless, based on the fairness assessment in the negotiations which we've just concluded with respect to phase 1, I am of the opinion that this House should support the supplementary estimates for the money so that we can conclude that transaction, because I do feel that that is a good arrangement for the taxpayer. It is the least costly and most viable alternative available for the taxpayer at this time. [Mr. Havelock's speaking time expired]

DR. PERCY: That's a first, Mr. Chairman: a 20-minute talk by a government member.

Mr. Chairman, I want to address the estimates, and in particular I want to address the Environmental Protection estimates and the \$147,500,000 provision for Swan Hills. I'm going to refer specifically to the fairness assessment that was released today. I haven't had time to go through in its entirety the 300 pages or so of the contract itself.

A number of issues come to mind. The first is that when one looks at the fairness assessment, you must be very clear. This is not an assessment of the market value of Swan Hills; it is an assessment of the value to Bovar of the stream of benefits that arises from the joint venture agreement. So market value and the assessment are not, then, based on what is the stand-alone value of Swan Hills as an ongoing entity, because nobody in their right mind would pay a plugged nickel for it given the large losses that it runs up. The assessment is very much related, then, to the constraints imposed by the joint venture agreement.

Now, my honourable colleague from Calgary-Shaw said in response to one of my questions that although it was losing money and it continued to lose even more money with the expansion after 1992, this was really required, that we really had to look way back as to how we got into the issue of the investment in Swan Hills.

The point I would make – and again it doesn't come up in the fairness assessment – is that we could have terminated this agreement in 1989 for far less money because we wouldn't have undertaken the expansion. At least \$150 million of the total cost of Swan Hills is directly related to the expansion, and I'm not even factoring in there the additional capital expenditure covered by the loan guarantee. So we do view 1989 and the failure, then, to review the joint venture agreement as being seminal in the sense that at that point we could have precluded a whole wide range of additional expenditures that emerged subsequent to the expansion.

8:30

I would again just draw the hon. members' attention to page 12, since this is the document that really defines the \$147,500,000 expenditure, and to paragraph 27. There's a really damning

statement in here, Mr. Chairman. Starting halfway through the paragraph, it says:

There is a wide range of revenues under varying assumptions and operating conditions in these documents. It appears that for the most part previous budgets and forecasts of volumes and prices to the System, and therefore revenues, have seldom been accurate and indicate the difficulty in predicting future revenues.

What the fairness assessor there is stating is that it was very much a finger-to-the-wind type of exercise and that Chem-Security was always quite willing to run with the best estimate so long as in fact it buttered its case for additional capital and more expansion. It's interesting to note that the assessor in fact is unwilling to use some of Chem-Security's numbers on net revenues and the like because he in fact views them as being less than reliable. I think that tells you something about the nature of the operation of Swan Hills and the nature of the forecasts. There never was a cost to Bovar and Chem-Security of getting it wrong. In fact, the more they got it wrong in terms of capacity, the more they got it wrong in terms of the consulting contracts they gave one another, the better off they were because of the guaranteed rate of return. So getting it wrong paid off in spades for the proprietors of Bovar in terms of their relationships.

So when we talk about fairness, we're not talking about whether or not the joint venture agreement sent out the right set of incentives for Swan Hills to be run efficiently and in a way that was protecting taxpayer dollars. Every element of the joint venture agreement worked against any form of low-cost operation on the part of Swan Hills and worked in favour of more capacity than was needed.

Now, those are important points when we come to discussing fairness, because the assessor did as he ought to have done. He said: given the joint venture agreement and given the capital stock that is there, what is fair in terms of capping the arrangement? That's what the assessor did. Now, the problem with that is that we're looking at a cost structure that's higher than it ought to be, we're looking at a capital stock that is greater than it ought to be, and we're looking at a stream, then, of subsidies for 1996, '97, '98 that's far greater than it ought to have been. On the other hand, we're locked into it because of the joint venture agreement. Is it fair? The answer is: in the context of the joint venture agreement, narrowly defined, yes. Is it right? The answer is no. The joint venture agreement is an abomination and a document that ought never to have been signed in 1987, ought to have been reviewed and terminated in 1989, ought not to have been amended and signed again in 1993.

Now to the specifics. Is the expenditure of \$147,500,000 fair? Within the narrow confines of the joint venture agreement it is. Is it right? No. Is it going to make Albertans happy that they have to pay a private-sector participant this magnitude of money? No. Is anybody ultimately going to be accountable? Well, we've heard the hon. Member for Calgary-Shaw apologize on behalf of the government, but I think when you're looking at a half billion dollars, apologies are hardly enough.

So, again, I'm of mixed minds when I read this, when I look at the expenditure. I am on record as saying that if we got out for \$150 million, it would be a good deal. I am on record as saying that it would be good if we got out for that, and I stand by that statement. Do I think it's fair? Do I think it's right? I don't. Do I think this agreement may cap and hemorrhage our losses? Yes, I do. Do I think we should have signed the joint venture agreement? No, I don't. Did we warn the government not to do it? Yes. Our environmental critic, the then Member for Edmonton-Meadowlark, now Edmonton-McClung, is on record as

saying that the expansion ought not to have gone ahead. Our environment critics consistently have warned about the cost of this agreement. Our Treasury critics have consistently warned about the cost of the joint venture agreement.

So in terms of the narrowness of the joint venture agreement the hon. Member for Calgary-Shaw has done as good as he could have done – as I said earlier, you don't shoot the messenger – but those that signed the joint venture agreement, those that allowed it to continue past 1989, those are the individuals that are accountable and should be held so by taxpayers in this province.

When I look at the total half billion dollars that will have gone down the tubes with Swan Hills . . .

MR. DICKSON: How much?

DR. PERCY: Half a billion dollars, almost half of the health care cuts that this government is imposing.

. . . I'm struck by the fact that every step along the line the government was warned by a number of intervenors, whether it was before the NRCB or whether it was in this House, that this was going to be a disaster. The then environment minister, Fred Bradley, over the advice of the board of the day in fact signed the agreement, and when the board disagreed, he fired them.

So from 1987 you can date this government step by step: the initial agreement in 1987; the failure by the then environment minister, the Member for Calgary-Elbow, to review the document in 1989. Even though there was a legislative mandate which required the minister to do so, he did not. In April of 1993 the contract was amended. Now, the hon. Member for Calgary-Shaw has said: well, look, we made it less worse. Well, less worse is still costing us half a billion dollars.

AN HON. MEMBER: How much?

DR. PERCY: Half a billion dollars. [interjections]

Chairman's Ruling Decorum

THE CHAIRMAN: Order. Hon. members, I get the clear indication that a number of members would like to enter into debate here. Hon. members on both sides of the House, you'll have the opportunity, but right now the only person recognized is the hon. Member for Edmonton-Whitemud.

Debate Continued

DR. PERCY: Thank you, Mr. Chairman. So in 1989 there was the opportunity by the then environment minister, now Premier, to review the document. We then undertook the expansion of Swan Hills, and again intervenor after intervenor before the NRCB said that this was not going to be a good deal, but it was approved, went ahead, and it was buffered by a loan guarantee. In April of 1993 – I think April 27 to be specific – the joint venture agreement amended was signed and included with it was a credit arrangement which allowed, then, after the election for the loan guarantee for a hundred million dollars to be signed. Every step along the way mistakes have been made by cabinet that have allowed this to continue, and the Member for Calgary-Shaw is very much like a hod carrier behind the big elephant, cleaning up the mess and scooping it and putting it away.

8:40

Now, I heard earlier this evening as well – I believe it was the Member for Edmonton-Norwood talking – about how this was the

right thing to do. Well, all I can say is: spend, spend, spend, spend. It was not the right thing to do. It was not the right thing to do in 1987. It was not the right thing to do in 1989. It was not the right thing to do in 1992. It certainly wasn't the right thing to do in 1993.

If you're concerned about hazardous waste, you make the people that generate it pay the full cost. You don't subsidize the provision of waste, because you only give them the signal to do it. Member after member after member on that side of the House has said: don't subsidize; it sends out the wrong signals. But, oh, when it comes to hazardous waste, let's subsidize the suckers who generate it, because after all we want to treat it. If you want to deal with hazardous waste, you do it the right way: you make the people who generate it pay the full price. You don't subsidize the generators of hazardous waste; you penalize them. You make them clean up their own mess, and you make them pay the full social cost.

So I don't think it was the right thing to do. I think that if you're concerned about the environment, you send out the right signals through the price system and you make the people who make the mess pay the bill. You don't have taxpayers generally subsidize it. So I would disagree with the hon. Member for Edmonton-Norwood that this was the right thing to do.

So here we are today now debating the appropriation of \$147 million. Now to add insult to injury we find that in fact the total meal deal is not \$410 million; it's in fact more. Why? Oversight, a \$25 million oversight. Now, that's true; it's not in these estimates, but it in fact is part of the expenditures related to the Alberta Special Waste Management Corporation. It just tells you, how can you mislay \$25 million? If I mislay, 50 cents I know it, but \$25 million? Whoops, we just lost another \$25 million, but don't worry about it because it was all money we spent last year because we wrote it off in the public accounts. Well, we're now looking at a half billion dollar expenditure with nothing to show for it, except probably some Calgary constituents and various members who are very happy and laugh all the way to the bank.

The bank itself laughs all the way to the bank, the Royal Bank. They're 8 percent shareholders. They got a guarantee, because they wouldn't loan the money without a guarantee, and they're now going to profit from the agreement. When I think of the Canadian banks, the CIBC and its role with Millar Western, the Royal Bank and its role with Bovar, I wonder why each and every time the banks deal with government the taxpayers are the big losers. That's the picture we see consistently when we go to a partnership with the private sector and we have the large banks involved, because the first thing that comes to mind is a guarantee to absolve them from any risk.

Now, when I look at what I am going to do when it comes to this particular set of appropriations, as I've said, I am on record and I stand by as saying that if we could get out of this for under \$150 million, it was a deal, a good deal. That's why I was not surprised at the fairness assessment, because the calculations that we did, in probably far less than this government got charged by Coopers & Lybrand – in fact, we could have sold you our estimates for a heck of a lot less – suggested that given the ludicrous constraints that were imposed by the joint venture agreement, the very best we could get out of it would be around \$150 million. So I'm not surprised that the assessor said fair. But I would say to you that when the assessor does this – and it's very qualified, the comments of the assessor. He says: well, first of all, we did no industry studies. Oh, so we're not talking about the real market value of it; we're talking about the value to Bovar

of the stream of benefits that the government provided for them under the agreement. So the actual agreement itself, the joint venture agreement: the people that signed that are the ones that ought to be held accountable. I think in fact the court of public opinion will hold them accountable because of a \$500 million loss and probably rising. Who knows what the cost of decommissioning will be? Who knows what other moneys will suddenly be found with a little whoops, another \$25 million? So we're looking at half a billion dollars.

Now, in the scheme of things where does this stand in terms of big money losses? Well, we have NovAtel at \$642 million. Nobody was responsible. Nobody got fired. Not a civil servant was held accountable. Certainly no minister was held accountable. It just happened.

Here is another example: \$500 million and counting, and this is at a time when we're shutting down hospitals. There are not enough rural physicians. We can't afford 400 hours of kindergarten. We're losing and hemorrhaging our professional staff down south to the States, to Ontario, and we now have . . .

Point of Order

Questioning a Member

MR. SEKULIC: A point of order, Mr. Chairman.

THE CHAIRMAN: The hon. Member for Edmonton-Manning is rising on a point of order.

MR. SEKULIC: *Beauchesne* 482. I was wondering if the Member for Edmonton-Whitemud would accept a question.

THE CHAIRMAN: The hon. Member for Edmonton-Whitemud is asked whether or not he will entertain a question.

MR. SEKULIC: Yes, Mr. Chairman. [interjections] I'd like to know . . .

THE CHAIRMAN: Hon. members, if the Member for Edmonton-Whitemud agrees, then we can get the question, but I'm hearing a lot of other people that seem to want to ask questions or speak. Give me your name and I'll put you on the speaking list, but until then we'll have Edmonton-Manning.

Debate Continued

MR. SEKULIC: I'm wondering if the Member for Edmonton-Whitemud could respond as to who signed the most recent loan guarantee pertaining to Bovar. What was the amount, and what was the date of that loan guarantee that was signed?

Secondly, I'm reading the press release from the Department of Environmental Protection, and it indicates that the fairness review says the Bovar deal is good for Albertans. If you could please respond to that.

DR. PERCY: Well, with regard to those two questions, it was June 23, 1993, eight days after a provincial election that was fought by both parties on government getting out of the business of being in business and no more loan guarantees. While one party ran and meant it, the others had their fingers crossed and didn't mean it.

The second issue is: who signed the joint venture agreement as amended in April of 1993 and the loan guarantee? The Premier as chairman of Executive Council.

SOME HON. MEMBERS: Who?

DR. PERCY: The hon. Member for Calgary-Elbow. So if you're looking at where the \$500 million rests, it's with the Premier.

Again, I do not think this agreement is right. I do think that given the constraints imposed by the joint venture agreement, this is the cheapest we could get out of it. I mean, Albertans are going to ask and they're going to look at the \$500 million price tag. This little nuance, well, it's fair because we were idiotic enough to sign a stupid agreement that locked us into paying this stream of obligations. That little nuance isn't going to fly. Albertans will look at the \$500 million price tag and they're going to say: "Who signed it? Who benefited? Why are we paying for it?"

So with those comments, Mr. Chairman, I'll take my seat.

THE CHAIRMAN: The hon. Member for Calgary-Shaw.

MR. HAVELOCK: Yes. Thank you, Mr. Chairman. I'm happy to see that the hon. Member for Fort McMurray is here because I wanted to address some of the issues that he raised last night. Although I spent a good deal of time reading his comments, I could really only find two that warranted a response.

The first was that he suggested that it's very easy for the hon. members of this House to simply say no to this deal which was tabled today and is proposed with respect to the supplementary estimate. What are the consequences of saying no? I'd like to refer you to the fairness assessment. As I indicated earlier, the best-case scenario is a continuing subsidy of \$123 million. The worst-case scenario: to 1998, \$183 million. But again let's assume that we can't exit this arrangement in 1998. You're looking at a subsidy which could range anywhere from \$152 million to \$326 million.

8:50

Mr. Chairman, I said this earlier. Bottom line: predicting waste volumes is a crap shoot. It's a gamble, quite frankly, that the taxpayer should no longer be involved in. We have a private-sector partner which wishes and I think is quite capable of operating that facility. While the facility, we must recognize, served its original purpose of disposing of the PCBs and PCDs which were in this province – and let's keep in mind it was a critical issue at the time – in light of the numbers which I just gave you and out of the fairness assessment, I feel it is time to exit the agreement. Again, if we support the hon. member's no position, what have we done? We've simply bought into continued uncertainty. It is a convenient and I think purely political argument without regard to the facts.

Quite frankly, I put a lot more stock in the comments of the hon. Member for Edmonton-Whitemud, who I know has read the documents and has spent a considerable amount of time reviewing this issue as compared to some of the other members of this House who seem to just conveniently suggest: let's ignore what's proposed, and let's keep doing business as usual.

In fact, the hon. Member for Fort McMurray last night went so far as to suggest that we should simply close the plant down and that we should spend the \$147 million to clean up the environmental risk. What this doesn't account for is what impact that type of action would have on the town of Swan Hills. I think we have to keep in mind that the people of Swan Hills have acted with, I think, reserve and dignity throughout this entire discussion. They've been very supportive of the Swan Hills facility; they recognize its economic impact in that area. I think, quite frankly, that it's quite callous for a member who constantly talks about

jobs in rural communities, et cetera, to simply suggest: let's close it down.

That type of action also ignores the fact that the agreement is still in place. Do you want to close it down? Do you want to spend \$147 million to remediate? Is the hon. member simply suggesting that Bovar will shrug their shoulders and walk away? No. There is an agreement in place, and quite frankly I think it costs us a lot of money to litigate that agreement, and no one seems to be considering the impact of that.

I guess the other consideration that has not been taken into account is: if we close the facility down, what are we going to do with the Alberta waste that is presently generated? We still receive approximately 20 percent of the waste that's generated in that facility right now, and I just don't think it's responsible for us to simply ship it to other provinces.

Mr. Chairman, there were a couple of comments raised by the Member for Edmonton-Norwood this evening. He asked three questions, and they were primarily related to: what guarantee would there be for the plant not to close down if we got into phase 2? Under what circumstances can we reacquire the plant? There was a transportation issue: any provisions, might they be implemented with respect to the government trying to recoup its financial losses? Those issues are valid issues. They've been raised by other members in this House before, and I appreciate the Member for Edmonton-Norwood raising them. Those are phase 2 issues which will form part of the negotiations, and at this point in time it's just premature for me to even hazard a guess as to how those negotiations will turn out. The critical factor which we must remember with respect to this document that was tabled today is that we have capped our exposure for future liabilities with respect to this plant with the exception of the remediation, the insurance backup, and some of the other issues raised.

Mr. Chairman, the hon. Member for Edmonton-Whitemud this evening I think raised a number of the points that he'd raised last night. I did catch a couple of new ones in there, because of course we tabled the fairness assessment and he had something else to talk about. He did mention section 27 on page 12, there being "a wide range of revenues under varying assumptions and operating conditions in these documents." Again that underscores the problem that ASWMC has been faced with, I think, since very early in the term of this contract, and that is that it is extremely difficult to predict the waste stream which will basically be directed at that facility. That is why in my opinion and the opinion of our board, which endorsed the corporation entering into this arrangement, it's important to bring some certainty to the table and cap our exposure.

The hon. member also mentioned a little bit tongue in cheek I think with respect to the \$25 million to \$30 million which magically appeared. Today I did reveal that the number that was given at the July 21 news conference with respect to total expenditures by the government with respect to the facility since being built was \$409 million to \$410 million. I indicated that that was an inaccurate figure. The problem, quite frankly, Mr. Chairman, is that when the figure was calculated, the calculation did not incorporate a percentage which was supposed to have been allocated from ASWMC's overall administrative expenditures. ASWMC did a number of things. They ran pesticide programs and other programs, but approximately 35 percent of its administrative expenditures did relate to the facility. I should certainly have caught that when we came out with the number, because we made every effort to try and come out with the accurate number. It wasn't until late last week that we determined that the number

was off. Quite frankly, at the very first opportunity I had to make that public and I felt it was appropriate in conjunction with tabling the agreement I did disclose that the total was \$440 million if you were to include the \$147 million.

Mr. Chairman, I'm sure I'll be up again a little later on to address some of the other comments and questions.

AN HON. MEMBER: Do we have an option?

MR. HAVELOCK: Well, I'm trying to make up for lost time.

I don't believe that I have ever stated that the original agreement was a deal made in heaven for the government; I don't think anyone could suggest that it was. It was nevertheless executed at a different time. There were expectations that the waste stream would generate a profit. We must also keep in mind, again, that only 20 percent of the waste stream generated by Alberta industry goes to the facility. We must also keep in mind that waste generators themselves have developed new processes with respect to dealing with their own waste. There are other lesser-cost alternatives available for the disposal of their waste which have been generated since that time. So a number of things happened within the market itself which I believe undermined the financial viability of the concept.

Nevertheless, I'm not here to be an apologist on behalf of the government. I think, again, if we'd had our standing policy committee process in place then that we have in place today, this never would have happened. The government today has a new way of operating, and I believe this would have been caught. Nevertheless, I would again ask that members seriously consider the ramifications of not supporting this supplementary estimate. I know it's difficult to swallow writing a cheque for \$147 million. I find it personally very difficult to do. Nevertheless, after having spent nine months in these negotiations, our board is convinced that this is the appropriate route to go, and I'd ask all members to support that.

Thank you.

MR. VASSEUR: I'm going to begin by addressing the environmental issue. We're asking the supplementary estimates to approve in one line \$147.5 million, and we're told to tell Albertans that this is going to be a good deal. We have a lot of Albertans asking: why are we paying \$147 million to get rid of 40 percent of an investment? It's a difficult situation to try to explain to Albertans and say: "Well, this is a good deal. We have to pay to get rid of 40 percent of something."

They ask you what you've been smoking when you tell them that this is going to be a good deal.

9:00

You have to tell them the way it is, because if you tell them that it's the best deal we can come up with, they'll ask you, "How did we get in this mess?" And we have to tell Albertans how we got in this mess. We have to go back to how this whole process originated. Of course, the Conservative government of the day got into the toxic waste management with good intentions, and they believed at the time that it was the proper thing to do, to provide that service to Albertans, which I think was the proper thing to do. I honestly believe that if this would have been a controlled situation, where it wouldn't have got into a sweetheart deal with somebody in the private sector – and let's not get confused with the private sector here. Here is somebody in business that saw an opportunity to milk a cash cow. They didn't have to subject themselves and their investment to the free

enterprise system where there's competition to keep them alert and keep them on their toes. They saw a situation where they didn't have to submit themselves to supply and demand. They saw themselves as investors into a total guaranteed source of revenue, and the government jumped in bed with them. That's how we got into this deal.

The government in '89 had an opportunity to get out of this deal, and by the admission of the Member for Calgary-Shaw, the deal was so good for the Bovar people that we just didn't take that opportunity. It was a nonevent. It was too good a deal for the private sector at that time, Bovar industries, to unveil the details to the public, so they kept it secret, and they went on and renewed the deal. In 1992 they went ahead and expanded this facility.

MR. HAVELOCK: A point of order.

THE CHAIRMAN: I believe we have a point of order. The hon. Member for Calgary-Shaw is standing, as are four or five other people, but we'll recognize Calgary-Shaw.

Point of Order

Allegations against a Member

MR. HAVELOCK: Thank you, Mr. Chairman. Section 23(h), (i), (j). I don't believe I ever stated that the reason that the agreement wasn't renegotiated in 1989 or 1993 was that it was so good for Bovar that we didn't wish to do so. I think he has certainly misinterpreted my remarks. Hopefully I have misinterpreted his remarks in that regard.

THE CHAIRMAN: The hon. Member for Bonnyville on the point of order, or would you like me to rule?

MR. VASSEUR: No. I just want to continue. My interpretation: there's no point of order to argue with.

THE CHAIRMAN: I know, but the Chair gets that privilege. Do you wish to speak to it?

MR. VASSEUR: Yes, I'd like to speak to it. The Member for Calgary-Shaw didn't use the words "sweetheart deal," but he did mention that the agreement that was in place between the government and Bovar at the time was such that it was impossible to break, or it wasn't even worth the effort of trying to break the agreement at the time and that it would have been very, very difficult to do so. I don't know exactly what word he used. That was about 15 minutes ago that he did say that.

THE CHAIRMAN: Hon. members, without any further debate we truly have a classic disagreement which can only be substantiated at some time from now by the Blues. At least we have drawn attention to the fact of indicating somebody else has said something and leads us to believe something else. We might, kind of, be very guarded in that kind of assertion and continue on with the speech.

MR. VASSEUR: If it will help the debate at all, I can withdraw the word "sweetheart" and put "ironclad" in it.

AN HON. MEMBER: That's not the point. You're missing the point.

Debate Continued

MR. VASSEUR: Well, the point is that the government is trying to convince the members on this side of the House that this is the best deal for Albertans. What I'm trying to tell the House is that when you're trying to explain to Albertans that this is not a good deal for them, it's very difficult to tell them that the government of the day could have in 1989 done something about this. They say, "Why didn't they do something about it at the time?" It's very difficult – very difficult – to explain this to Albertans and say, "Well today is today and this is the best deal today." Unfortunately, you have to go into the past of this agreement to explain to them that the options of the government were never that good since the original agreement was signed. If we on this side of the House would have some of the information that has been requested in the last two years, maybe it'd be easier for us to accept that this is the best deal for Albertans, and it'd be easier for us to be able to explain to Albertans when they're asking us questions about this deal.

[Mr. Clegg in the Chair]

Unfortunately, we work with the information that the government has provided to us, and this is what we have to tell Albertans. This started many years ago. We had an opportunity in 1989 to get out of it. We chose not to. We chose to expand the plant at a time when there were a lot of people, a lot of people in the industry, in the opposition, saying that it's not required. They went ahead with the plan.

In '93 the government of the day – the Premier was then the environment minister and proceeded with that plan in '92. In '93 after the election we gave them some more money to keep the plan going, and for the last two years in the House here we've been listening to them saying: we're going to make money with this thing; don't worry about Bovar; eventually we're going to make money with this thing. In the negotiations some time since '93 or even prior to that and especially in the last round of negotiations in the last month, if we have to give away 40 percent of our share and pay \$147 million for it, why didn't we ask Bovar: "How much money are you going to give us? We'll take your 60 percent." We'd have landed up with the whole thing, and we'd probably land up with \$200 million. [interjection] Well, when you negotiate any kind of deal, you have to be prepared to pay your share of the agreement. In negotiations in private business that's the way you do it. If you want your partner out of there, you've got to be able to say, "Well, this is how much I'm going to give you."

DR. WEST: I didn't do that.

MR. VASSEUR: No, you didn't do that. However, it's an explanation that we owe Albertans, and we go to Albertans with the figures that we have, the information that we have. We have a tabling today in the House of the agreement that has been put into place, and still we don't have in that agreement – we're told about phase 2 of the agreement, that may allude to further liabilities to the people of this province. The \$147.5 million that we have to approve here tonight or that is debated here tonight may not be the end of this. Next spring, next fall the government may come back and say, "We need an additional \$30 million or an additional \$40 million." How much more do we need, and who is responsible now in the agreement? Maybe for three years we know that toxic waste is going to be looked after, but who

looks after that responsibility in Alberta after the expiry of this agreement? Is that the responsibility of the public at large? If it is, that's the government. So there are some valid questions that we're asking and that Albertans are asking.

If I can go on to the next issue of transportation, the expenditure on this one here of \$11 million is a lot more palatable than the \$147.5 million. However, I have a few questions to ask the minister on some of the clarifications. In the supplementary estimates the reason for the request says that the total estimated requirement here is about \$54 million. It goes on to say, "Under the Disaster Financial Assistance Arrangements" – and I would like the minister to expand on that, if he may – "the province may recover up to 90%" of that expenditure. The document refers solely to the southern Alberta disaster recovery program. So I'm just wondering what percentage of the recovery can we look forward to as far as the fires in northern Alberta are concerned. It doesn't mention anything about any percentage of recovery for the fires.

9:10

The figure of \$121,484,000 in the amortization of capital assets: I would like to ask the minister if we can easily take \$30 million away from the \$121 million that's amortized assets. Is that because we are privatizing the department to where we don't need that money to replace any capital or facilities out there? I understand that there may even be some facilities, not only equipment, for sale in the future. Is that the reason why that capital will not necessarily be required? Or is that a fund that can be relocated to some further development of some capital projects later on? If it is, it could become very convenient come an election year. I mean, we could bring some priorities on line, even in Cypress-Medicine Hat. He may just get the highway that he was requesting this afternoon. That's why I want some clarifications about that figure, if we can take \$30 million away from it in this case.

I'm just wondering why we took the \$30 million there instead of maybe going to the environmental fund that is in place, that's in the neighbourhood of about \$60 million and is supposed to grow every year and could fund this project, sort of a revolving fund. We don't have to create one. There is one in place already, and I'm just wondering if the money could have come from that fund instead of the amortized capital assets. I'm just wondering if the minister can answer that question.

The other thing about that \$121 million: I'm just wondering, Mr. Chairman, if the minister would expand on what the purpose of that fund is. You know, I've made some assumptions here tonight of what it could be used for, but I would really like to have some explanation of what the fund could be used for.

With those comments, Mr. Chairman, I'll leave the . . .

THE DEPUTY CHAIRMAN: The hon. Member for Medicine Hat.

MR. RENNER: Thank you, Mr. Chairman. It's a pleasure for me to rise this evening to speak to the supplementary estimates. Coming from the constituency of Medicine Hat, I think that all members are probably able to forecast what I plan to speak about this evening, and that's the part of the supplementary estimates related to Transportation and Utilities and more specifically to the funds that are required to pay for the disaster relief in our part of the province early this summer.

Mr. Chairman, I want to acknowledge at the outset the tremendous amount of effort and work that has gone into alleviat-

ing this tragic situation in southern Alberta on the part of the staff at Disaster Services. They stepped into an extremely difficult situation in three cases before the flood in helping the city and area prepare for what was inevitably going to be the flood of the century. The city of Medicine Hat in its disaster preparedness programs did a terrific job, but they were assisted very ably by Disaster Services staff. During the flood Disaster Services assisted in updating, keeping the city informed of rising water levels upstream and then after the flood when we started to deal with a tremendous amount of damage that was incurred throughout the river valley and Medicine Hat. I want to say that while this is a lot of money that's involved in this, some close to \$60 million in total, \$41 million of which is included in these estimates, that only refers, however, to the dollars that will be expended in this fiscal year.

I want to make a few comments about the disaster relief program. Before I get into that, I would like to refer all hon. members to some remarks made by the Member for Fort McMurray last night. I paid particular attention to the Member for Fort McMurray because he was indicating to all members of this House that this flood relief program – and he quite rightly pointed out – is a matching dollar program where the federal government will match up to 90 percent of the cost of the disaster program. I would like to quote from *Hansard* the comments made by the Member for Fort McMurray last night, and I think it's very important because my other comments really relate to Fort McMurray's comments. He said:

I was just in the middle of pointing out that 90 percent of the minister's flood relief program is in fact funded by a federal government with heart.

Well, Mr. Chairman, I want to talk a little bit about that federal government with heart and a little bit about the program. As the Member for Fort McMurray quite correctly pointed out, the province is administering a program that is mandated by the federal government, and I want to talk a little bit about the shortcomings in this program, this program that is funded primarily, in the words of the Member for Fort McMurray, "by a federal government with heart."

Let's talk a little bit about this federal government with heart and the program that they have. There are exclusions to that program, Mr. Chairman, and there are serious exclusions. The program only covers individuals who live in owner-occupied homes. It only covers individuals whose small business is damaged if that small business is the primary source of income for the individual and if that individual is the owner/manager of that small business. Well, that sounds like it's fairly all-encompassing, but I have been dealing with victims of this flood since June of 1995, and I'm here to tell you that that program simply does not cover enough of the flood victims that we have.

I only want to talk about the situation in Medicine Hat. I'll remind all members that this flood came all the way down from Pincher Creek through Fort Macleod through Lethbridge and on through Medicine Hat, and damage was incurred in every municipality along the way. Medicine Hat ended up with the brunt of the water because the Oldman and the Bow rivers join just upstream from Medicine Hat, and we had the crest of the Oldman and the crest of the Bow coming through Medicine Hat at the same time.

We had substantial damage in Medicine Hat. The area of town that sustained the most damage is an area referred to as the flats. The flats is an older part of town, and it's an area where there are a good number of revenue properties. These are homes that have been acquired through the years. They've been sold in estate

sales. Individuals who raised their families in that part of town have now moved into seniors' housing, any type of housing, and those houses are now revenue property.

So let's talk a little bit about this federal government with a heart and the program they put together, a program that is rigid in its specifications, rigid to the province on what we can do and what we can't do. Let's talk about a house down in the flats that's occupied by children and grandchildren of an individual who owns the house. The children and grandchildren weren't able to put together enough money to buy that house. The parents are helping them to make the mortgage payments on that house. That house is not owner occupied; it is not eligible for flood relief. We have a home that's virtually destroyed, and we have no flood relief for those people.

Let's talk about the revenue property holdings of a senior couple that have two houses down on the flats that they bought a few years ago to build up a retirement fund for themselves. These folks are just about ready to retire. They are not eligible for the program because they derive their principal source of income from outside of their revenue property. That kind and caring federal government says that these people are not eligible for this program.

9:20

Let's talk about a house that was owned by a senior who unfortunately passed away two days after the flood and was not able to send in the application form. So that house is not covered by this program because the estate that now is in charge of the affairs of that individual is not the owner/occupant of that house.

Let's talk about a small business in Medicine Hat that is not eligible for this program that is funded 90 percent by a federal government with a heart, a small business that is owned by an individual who is not able to make sufficient income from that business but employs eight individuals, other individuals, who do derive their income from that business. Because the owner of the business has an outside source of income, that business is not covered, and that business has sustained substantial damage in the flood.

Let's talk about a rental property down on the flats. I've been dealing with – Mr. Chairman, I could go on and on all night long because I have lived this flood for the past four months. I have been working with these people, and these people are in a desperate situation. A couple that owned a house that was affected by the flood sold that house and bought another house so that they could open a new business. They wanted to open up a day care facility for seniors. They sold their revenue property. The possession date on the sale of that property was June 15. The flood happened on June 9. The deal fell through. This couple is in dire straits and may well have to declare personal bankruptcy because they have obligated themselves to a second property. They cannot dispose of the first property. This is the program that is dictated rigidly by the federal government with a heart.

Mr. Chairman, I acknowledge that these funds are much needed, and certainly I urge all members to support this supplementary requisition, but I must point out that this flood relief program does not – and I repeat does not – cover all Albertans for the losses sustained in that flood. These are only the exceptional circumstances. As I said, I could go on and on and on. There are problems with this program, and those problems originate with the federal government. We as provincial politicians must contact the federal government and let them know that their program is not serving Albertans well and that it is not serving the people of Medicine Hat well.

I also can't leave this evening and leave the discussion of this flood without talking about the tremendous support of the volunteers and the people in Medicine Hat who worked so hard to help their fellow citizens out. This was a tragic situation in Medicine Hat, Mr. Chairman, but the people of Medicine Hat pulled together, and two days after this tremendous amount of flood damage was sustained by our city, individuals in our city recognized that there were going to be Medicine Hat citizens who were not going to qualify for relief under this program, and a volunteer organization was formed.

I want to acknowledge at this time that the head of that volunteer organization is my predecessor in this House, Mr. Jim Horsman, who took it upon himself to organize a local committee to raise funds to help to supplement the losses of individuals who are going to sustain substantial losses, even though there is a flood relief program, a disaster relief program in place. To date that program has raised in excess of \$200,000. They have projects under way. They expect to raise another hundred thousand, so they should have in excess of \$300,000. It's a lot of money, but it's a drop in the bucket compared to the tremendous carnage and damage that was sustained in Medicine Hat. The only good thing that can be said about that flood is that there was no loss of life, and for that we can be thankful. But don't for one minute let anyone in this room think that this disaster relief program is alleviating the losses sustained by people in Medicine Hat, because it doesn't even come close.

With that, Mr. Chairman, I urge all members to support this requisition and keep in mind what I've just said.

THE DEPUTY CHAIRMAN: The hon. Member for Edmonton-Manning.

MR. SEKULIC: Thank you, Mr. Chairman. I rise to speak to the supplementary estimates, general revenue fund, for 1995-96. I listened attentively to the Member for Medicine Hat, and certainly he brings across a lot of issues which were very important to Albertans but particularly to southern Albertans.

My understanding, Mr. Chairman, is that the federal government in fact supports financially 90 percent of the funding for the flooding relief in southern Alberta and that it is the provincial level of government that administers the program. So I'm not sure whether he's targeting correctly or deflecting conveniently onto different levels of government. All too often we find that this government points fingers when in fact they're the ones that are responsible. I just bring up the example of the regional health authorities as a prime one. Daily we ask questions about the chaos in our health system, and we're referred to some nonelected boards. "Go get your answers there," they say. So here I'm wondering whether there's a diversion of attention away from the real concern.

Yesterday the Member for Calgary-Currie stood up to speak in response to the hon. Member for Fort McMurray's comments on the supplementary estimates, and she seemed to imply that everything was okay with Bovar: because we've been discussing it for three months or six months, therefore it's okay and all forgiven; that was then, this is now. Mr. Chairman, those losses continue to grow as we speak. When I hear comments like those from Calgary-Currie, they're difficult to accept.

Speaking of difficult to accept, Mr. Chairman, it's in fact true that the Member for Calgary-Shaw has been working hard for some time now to unload this burden off the Alberta taxpayer's back, and he may have in fact, if we're to believe some of the

reports that have been generated by the government that this is in fact the best of the worst possible deals. It's strange, however, that these are the deals. This is when the government brings something to the Legislature. It's not proactive. It's not in advance. That's not when they bring it here. They bring it here once the deal is done and they're trying to find a way out of it, so that they can somehow find a way to spread the blame across the Legislature. That's where we find ourselves today, with this appropriation for \$147,500,000. It's basically the last – hopefully the last – cost that provincial taxpayers will incur as a result of the government's negligent move into investment in this area.

Mr. Chairman, when I speak to my constituents, particularly now when so many of them are suffering the health and education cuts, I tell them that Bovar and Gainers alone account for the total of this government's health care cuts. Two deals account for all of the health cuts – three-quarters of a billion dollars – because this government gambled and lost twice. I think that's something we need to keep in mind when we're looking at these supplementary estimates and we're listening to the government once again coming to this Legislature and requesting more money. It's almost as if the ghost of Dick Johnston is still here, where we're playing over and under, and once again in the spring there was a surplus, and now it seems that there's a requirement for additional funds.

I don't see this government and I haven't seen this government to be pro business. Since I've been here and since I've lived in Alberta, I've seen this government to be pro company, Mr. Chairman. There are preferred customers in Alberta, and those preferred customers don't have to play on a level playing field. In fact, they're elevated well above it. Here today we see one company that's been elevated well above that playing field that the rest of Alberta companies fight hard for to exist. The marketplace in Alberta has continually been distorted by this government, and this 147 and a half million dollars is just a confirmation, a reaffirmation that it hasn't stopped, that this government continues to do what its predecessors brought in.

Now, it was interesting when I was listening to the Member for Calgary-Shaw. He did speak eloquently and he did speak well and knowledgeably on this Bovar issue, but there was one area, one sentence in particular that gripped me. Do you know what that sentence was? That sentence contained “profit” and “Bovar” in the same sentence. Then he said that if there were in fact profits from Bovar, they would share these profits with government. That's exactly the line that got this government into this mess in the first place: profits, Bovar; share the profits. Mr. Chairman, those are the sorts of lines and, I guess, the misconceptions that bring us to the problems that we're at today.

9:30

When we take a look at what could have been done – this government's now been in power for two and a half years. They were elected on a platform similar to that which brought us into opposition unfortunately. If they had terminated this deal – the province was bleeding, and the Provincial Treasurer knows the province was bleeding financially, terribly, when he took that position, when he was re-elected in June of '93. Yet here we are, two and a half years later trying to solve the problem, and \$150 million could have been saved if there would have been an earlier intervention, in fact if the Premier of this province hadn't re-entered a loan guarantee shortly after being elected and shortly after committing not to do so.

So, Mr. Chairman, I think that when we look to this deal, the government kept looking for the light at the end of the tunnel,

which these estimates now clearly show in fact was a debt train steaming towards the taxpayer. I hope it's the last hit that this taxpayer – as the Treasurer would put it: there is only one taxpayer – will take on this deal.

Mr. Chairman, there's just one comment I do want to make in closing. When I did open these estimates I looked at page 5, and that's where we see the supplementary estimate for 147 and a half million dollars. Then right below there is a little clause, which is (a), and what it reads is that this 147 and a half million dollars is “fully offset by a reduction in Valuation Adjustments, Obligations under Guarantees and Indemnities, and Other Provisions.” You know, there's some financial magic here, and the Copperfield Treasurer, who manages to request an additional \$150 million but says in fact that it's being offset and it's really not 150 million new dollars, I find very difficult to believe. We wouldn't be here debating these if in fact clause (a) was correct. Maybe the Treasurer will stand and comment on that.

With those few comments, Mr. Chairman, I'll take my place.

THE DEPUTY CHAIRMAN: The hon. Member for Calgary-Shaw.

MR. HAVELOCK: Yes. Thank you, Mr. Chairman. Just very briefly to respond to the comments from the members from Bonnyville and Edmonton-Manning. The Member for Bonnyville indicated that we're paying \$147 million to rid ourselves of the investment in the Bovar facility. That is not the case. I must again reiterate that the primary goal we have with respect to phase 1 is trying to cap our liability with respect to the continued operation of this facility. To vote against this is to say to the taxpayer: “Lookit; we know that perhaps the losses may actually exceed that amount. We don't care, because for political purposes it would be bad for us to support the government in trying to limit this.” That's what I'm basically hearing as the bottom line response to not wanting to support the supplementary estimate.

It's also been suggested that the agreements are not clear with respect to what liabilities are and are not included, and I would direct the Member for Bonnyville to take a look at the retention agreement, which was tabled today. It does list those liabilities which we are retaining.

The Member for Edmonton-Manning inferred that the only time throughout this process that we've sought input from the Liberals, for example, is to bring this deal before the Legislature. Well, I must take exception to that. One, the opposition was offered a seat on the ASWMC board, and they rejected that offer. So they could have actually been at the table through these discussions, helping us resolve the issue. Secondly, they were also offered the opportunity to make recommendations with respect to the consultant that we were going to hire for the fairness assessment. I understand that the Leader of the Opposition came back and said: no, we can't be perceived to be in any way participating in this and helping the government.

The other thing that I'd like to comment on is that on a consistent basis I have sat down with the critic from the opposition to try and keep him up to date. I think if the members quietly tomorrow in their caucus, if they have quiet caucuses nowadays, would ask him whether or not I've kept him up to date, I'm sure he'll get the answer that, yes, I've tried to do that. With respect to the profit to be shared . . .

MR. SAPERS: You called me.

MR. HAVELOCK: I didn't call you. You just happen to have a lousy receptionist who doesn't know the difference between yourself and the other member.

MR. SAPERS: I got the message, Jon. I got the message. You called me, and thank you for that.

MR. HAVELOCK: Well, if I called you, it wouldn't be an hon. member.

The other point I'd like to make is that the Member for Edmonton-Manning said: you can't possibly put the words "Bovar" and "profit" in the same sentence. No question; it's been demonstrated based on history with respect to this facility that we haven't seen a lot of money flowing the other way. It's all been going the wrong way. However, if you could explain to me what the downside would be in the phase 2 negotiations to try and put a claw-back provision in so we can try and recover some of our losses, then I won't do it. But I'd suggest that the Member for Edmonton-Whitemud was the first one to raise it in the House and ask for it. Now, why don't you guys again tomorrow get together and decide what your position is so you can at least have a consistent position in the House.

It seems that I've vented my spleen. That's it for now, thanks.

THE DEPUTY CHAIRMAN: The hon. Member for West Yellowhead.

MR. VAN BINSBERGEN: Thank you, Mr. Chairman. I would like to say a few words here. Yeah, I find this a very interesting document. We get very little information that is supposed to explain the expenditure of, well, 200 million dollars plus. I think probably the Treasurer is trying to tell us that we should trust his judgment. I will go through this and ask a few questions just in case there are a few typos in here. I don't want to trip him up.

Mr. Chairman, it's interesting that under the expenditures for transportation we found that 90 percent is accounted for; namely, it comes out of the coffers of the federal government. The expenditures for health: the minister has forgotten to mention where she intends to find the - what is it? - \$35 million. At least, we don't know where it's coming from, and it would be nice to know. All we know is that it's not new money, but we don't know where it's coming from. Probably a few more beds are closed, and more services are being cut throughout the province.

Let me get to the big one here, Environmental Protection. The request there is for a paltry \$147,500,000. I can barely pronounce it, it's so much. But we shouldn't worry too much as to where that's coming from because it says here that this expenditure is "fully offset by a reduction in Valuation Adjustments, Obligations under Guarantees and Indemnities, and Other Provisions." That is really reassuring, Mr. Chairman. I'd like a translation of that, but whatever the translation is going to be, it doesn't alter the fact that we're asked to pay \$147 million to Bovar to take over our 40 percent share, and that deserves somewhat closer scrutiny I think.

It's interesting to note also that in this particular program it says that this agreement will permit

the right to pay down Bovar's guaranteed loan under certain circumstances, but excluding insurance indemnities and site reclamation responsibility.

I take that to mean that it's not part of this agreement then and that that would be extra and probably cost us a whole lot more.

So the question that I really have, Mr. Chairman, is: how dare the government ask for this expenditure on the basis of information that is scant at best? Now, I know that the Member for Calgary-Shaw tabled this afternoon a multivolume agreement, but I haven't plowed through it, and I don't think too many people have. We haven't had a chance, and now we're supposed to vote on an expenditure of 147 million bucks because it is supposed to be a good agreement. Give us a break. Give us some time to check this out.

AN HON. MEMBER: Trust us.

MR. VAN BINSBERGEN: That's exactly the reason. The trust factor is totally not there.

Mr. Chairman, without knowing the particulars, I will have to raise a few points here. So I'd like to look a little bit more closely at this 'Bovarian' mess, and I think the thing that must be established here is: who bears responsibility for this? We'd like to find out once and for all: who got us into this mess? If it's more than one person, who did that? Why is it that the taxpayer is asked to pay \$147 million? No one is stepping forward and saying: I did this wrong; I loused this up. No one. What happened to the principle of ministerial responsibility? I thought that was one of the cornerstones of our democratic system.

9:40

Now, I've heard lots of rumours, Mr. Chairman, that the Premier should be able to explain all these aspects of this mess, and I would really like to ask the Premier a few questions on this. I realize he has a very busy agenda and cannot always be present.

Mr. Chairman, we go back to 1989, I think it was, and at that time the Premier was minister of the environment, and he renewed an agreement with Bovar. Now, I know that he's a man of good judgment, and I'm sure that he would not have renewed that agreement if he hadn't had a good reason. So perhaps he could let us know what the good reason was.

Then a little later, I think, the Premier still as minister of the environment decided that the capacity of the plant should be doubled. Apparently there was so much toxic waste in Alberta alone that the doubling was necessary in order to look after it all. Once again all the indications must have been that way, because otherwise why would the now Premier have made that decision in those days?

Then in 1993 right after the election the commitment was renewed, he says, to extend a hundred million dollar loan guarantee to Bovar. I think the Treasurer at that time agreed that it was a renewal of an old loan, but amazingly enough the Auditor General came out and said that, no, it was in fact a new loan. Now, who are we to believe?

Mr. Chairman, it is pretty hard to then blithely put our trust in that same Treasurer and vote for this expenditure when none of these factors have been explained along the way.

Then of course we discovered, Mr. Chairman, that there wasn't after all enough toxic waste in the province to fill the capacity, and therefore it's been half empty since, and there was good reason to import waste from all over North America, I guess. Certainly a neighbourly gesture and in fact one might say that it's a Christian gesture to help one's neighbours. Nevertheless, the good neighbours weren't really complying because the cost was far too high, not only of transportation but even of destroying the waste.

So there we are. We're at this point now where we're asked to pay \$147 million. We don't know who bears responsibility. All

we know is that it's costing us \$147 million to leave the good ship or the bad ship, I should say, Bovar.

I do not favour this agreement at all, Mr. Chairman. I don't favour this expenditure for the simple reason that I don't know how this came about, and I don't think that Coopers & Lybrand attached any blame to anyone, any responsibility to anyone in their report. Yet that is what we would like to know. I defy the Treasurer to tell us who's to blame. Until such time as someone steps forth and assumes that responsibility, I will have to vote against this particular expenditure.

Thank you.

MR. GERMAIN: It's the Treasurer.

MR. DINNING: Mr. Chairman, the Member for Fort McMurray will be pleased to know that I have been galvanized to my feet.

I wanted to raise with the members of the Assembly a couple of explanations that I have been asked to give, because the minister of transportation asked me to respond to the comments made by others as they relate to transportation's numbers.

If members of the Assembly would look in the public accounts released I think the 23rd of June, they would see on page 25 of volume 1 a note to the financial statements with respect to capital assets. We are just early on into the process of actually finally valuing our capital assets and beginning the process of amortizing them to give some indication to Albertans of the true cost of those assets, in fact that they are being consumed. The Member for Edmonton-Roper knows about this, knowing the abundance of his assets, and of course they're not being consumed. They're being appreciated as opposed to being depreciated. It's just that the Member for Edmonton-Roper isn't being appreciated nearly as much as his `ass-ets'.

MR. CHADI: Point of order, Mr. Chairman. Mr. Chairman?

MR. DINNING: He's on the phone, Sine. He got a wrong number. He's ordering pizza, I believe. We'll have ours without anchovies, Mr. Chairman.

THE DEPUTY CHAIRMAN: I'm sorry; I'm so popular that everybody wants to phone me. Now, what's happened here the last 30 seconds? You were talking, hon. Provincial Treasurer, and then . . .

MR. CHADI: The Provincial Treasurer was talking, and I'm rising on a point of order.

THE DEPUTY CHAIRMAN: Okay.

Point of Order Clarification

MR. CHADI: I believe that it's Standing Orders 23(h), (i), and (j), one of those. In any event, the hon. Provincial Treasurer was talking about certain increasing `ass-ets', or appreciating `ass-ets'. I'll have the Provincial Treasurer know, Mr. Chairman, that I have lost 30 pounds since January alone of this year, and they are not appreciating `ass-ets'; okay?

THE DEPUTY CHAIRMAN: Thank you. It's obviously not a point of order.

MR. DINNING: Well, in the interests of openness and transparency I'm sure he'd want to reveal those depreciating `ass-ets'.

Debate Continued

MR. DINNING: Mr. Chairman, note 4 to the financial statements talks of

the process of establishing the completeness and reasonableness of the estimates [as] ongoing. The estimates are being and will continue to be refined and adjusted as necessary before the accounting policy is changed to capitalize and amortize capital assets.

This being on page 25 of volume 1 for the purpose of *Hansard*. It goes on to say:

Adjustments amounting to \$841 million . . . caused by a refinement of the estimation process, were made during 1994-95 to reduce the net book values disclosed in the previous year.

As a result, Mr. Chairman, that reduction in assets, along with transportation's transfer of approximately \$500 million in capital assets transferred by way of transferring road responsibilities from IDs – as these IDs became municipalities, those assets moved out of the government's hands and into the hands of those municipalities. Therefore, the provision at line 2.7.1 of program 2 of the Transportation and Utilities department, the program being construction and operation of transportation systems – that \$121.484 million of that entire vote is no longer required. Some \$30 million can be taken out of that simply because those assets are no longer ours to amortize or depreciate. So the transportation minister is left with effectively a \$30 million savings within his department, which can be used and allocated for the vote that is before us regarding the disaster services and dangerous goods control response and recovery net cost of \$11.425 million.

Mr. Chairman, we were asked to explain that for the purpose of why only \$11.4 million was necessary. Where was the other \$30 million from? I know the Member for Three Hills-Airdrie was asking me the other day, and now I have a more complete answer for her. I know that the Member for Three Hills-Airdrie was interested. Edmonton-Whitemud was interested as well, and of course I've been able now to answer his question.

9:50

As for the commentary by those on the other side of the House with respect to Bovar and to the Swan Hills plant, I would remind members of the Assembly – and members of the Assembly are here in committee tonight – that it was Premier Klein who made it clear to the Auditor General that all of the information that was necessary in order for him to do a review of the province's participation in the Swan Hills special waste treatment facility, all that would be necessary for him to do his review of those financials, would be made available. Premier Klein made that offer early on some two or three months ago, and I expect that when the Auditor General's report comes out in the next week or two or three, it will note that there was in no way anything that got in his way to complete his review.

I would remind the hon. members that they are acknowledging the fine work of the second Member for Calgary-Shaw, the tremendous work that he has done as the chairman of the corporation, along with his board members, including the Member for Peace River, and I think they do deserve credit for this. But while they talk about \$147 million – and I heard the hon. member today talking of some 440 million-odd dollars over the last number of years – you've got to remember that today as a result of that expenditure the province of Alberta is a PCB-free prov-

ince. No other jurisdiction on the North American continent can make such a claim, Mr. Chairman.

When I look at the availability of this resource to Alberta industry to dispose of those hazardous wastes, we're not just talking about a PCB-free province; we're talking about a healthier province as a result. I would say that the dollars invested in this program, in fact incinerating and disposing of an incredible amount of waste – over 70,000 tonnes of hazardous material has been destroyed at this plant. The members are all talking about the dollar side, but they're forgetting the benefits of this. Typical Liberals only want to look at the negative side of this. Some would say their ocular muscles are connected to their rectal muscles and perhaps that taints their outlook on life, but I think they underestimate the value that this project has had to the province of Alberta.

Yes, the Member for West Yellowhead has noticed that this is “fully offset by a reduction in Valuation Adjustments, Obligations under Guarantees and Indemnities, and Other Provisions.” I would turn the hon. member to page 28 of volume 1 of the public accounts, where that provision for this \$147 million, estimated at that time at some \$150 million, was fully booked and provided for. So Albertans knew that we put that on the books. We knew from the discussions that were ongoing at the time that there was a very good chance that it was in the order of about \$150 million. So as not for Albertans to take a further hit, we made provision for it there and then, and we said so. The day that the books were released on the 23rd of June hid nothing, exposed all. Albertans had the facts, and as a result here we are taking the action in the Assembly today proposed by the Minister of Environmental Protection, supported and sponsored by the Member for Calgary-Shaw, of now seeking the cash to round this circle, Mr. Chairman . . .

MR. VAN BINSBERGEN: Point of order.

THE DEPUTY CHAIRMAN: Point of order, West Yellowhead.

Point of Order Questioning a Member

MR. VAN BINSBERGEN: Would the Treasurer entertain a question?

MR. DINNING: No, Mr. Chairman. I'd be happy to finish my remarks, and then the hon. member, as he's all too familiar with the rules of the Assembly, will have a chance to get up and make his point.

MR. VAN BINSBERGEN: It is particularly apt right now, Mr. Treasurer.

Debate Continued

MR. DINNING: Mr. Chairman, I think that having made that provision, having declared it for Albertans, now here accounting for it, the hon. Member for Calgary-Shaw having filed the documents in the Assembly today including a fairness opinion, which puts us smack-dab in the middle of that range of what is a fair and reasonable amount, we are here accounting to Albertans, accounting to this Assembly, and making a request for this sum of money to stop the hemorrhaging, to put a cap on our obligation, on our liability. I would ask all members of the Assembly to support these estimates, sir.

THE DEPUTY CHAIRMAN: The hon. Member for Calgary-Buffalo.

MR. DICKSON: Thanks, Mr. Chairman. Just a couple of points I wanted to make. Firstly, I was going to say that when I saw the supplementary estimates and I saw Health was one of the departments looking for additional dollars, I initially felt some sense of optimism. One of the biggest concerns that's being experienced now – and I've been listening for another Calgary MLA to raise this concern – is what I'll call a home care crisis that's developing in the city of Calgary.

[Mr. Tannas in the Chair]

The difficulty is that the Calgary regional health authority has taken money that was routinely available for mainly seniors requiring long-term care, and those dollars are now being shunted to people who are 35 and 40 years old coming out the day after their admission to hospital for an operation. The consequence of that, Mr. Chairman, is that seniors who were getting home care perhaps two hours a week are now getting home care perhaps once every four weeks. That's a problem, and I'm sorry that hasn't been addressed in the estimates.

In terms of the Alberta Special Waste Management Corporation, it's not uncommon for lawyers to do opinion letters. I've had a chance to look at and prepare a few of those opinion letters, and what you recognize quickly is that sometimes the most significant part of the opinion letter is the qualifiers, the things that limit the scope of the opinion.

So when I look at the document that's been referred to as a fairness opinion, the first things I turn to are what I call the qualifiers. Working backwards, if one looks at the final conclusion on page 18, what you have are nine different qualifications to the opinion that's provided, and some of the qualifications are pretty key.

The first one is: the fairness opinion letter starts off referencing a September 6, 1995, letter that's referenced as quote terms of engagement close quote. Well, I listened to the documents that have been tabled in the Legislature since the commencement of this session, and I haven't seen the government, the Provincial Treasurer, the Member for Calgary-Shaw, or anyone else table the terms of engagement.

Moving on, on page 14 there's reference to a number of documents. If we look at page 5, a number of those documents are referenced but haven't been available to members of this Chamber, and I'm referring specifically to the joint venture monthly financial review for the months of June, July, and August 1995, the 1995 budget, the 10-year business plan, the 10-year projection update, the 1995 forecast, the 1996 preliminary budget. If those documents are important enough to provide to the solicitor who prepared the fairness opinion, then it's proper and relevant and appropriate to table in this Legislature so members in this Assembly can form their own opinion. We've been deprived of that opportunity.

The third observation I'd make is that the Member for Calgary-Shaw, who no doubt has worked diligently to effect this particular transaction, made the observation that if only the standing policy committee had reviewed this, then we wouldn't be in this pickle. We wouldn't be in this jam now. You know, I have great respect for my colleague from Calgary-Shaw, but I have to say that on this score he must have been intending to be provocative. The people who are part of the government now were also part of the

government on June 15, 1993, and June 16 and every day thereafter. Certainly it's the same gang, the same group that were making decisions when the Premier provided the guarantee that perpetuated this risky exposure to taxpayers prior to the June election. So I can only think that the member was trying to be provocative. It certainly should be of no comfort, and it makes no sense.

10:00

I think the other point I'd just make is if you look at page 15 in the fair comment letter, there's reference to six individuals. There's no indication in terms of the information provided by those sources, and simply identifying the source of opinion is of little assistance. So I'd make those points.

I'd say that if in fact the government wished all members of the Assembly to embrace this salvage effort with the enthusiasm shown by the Member for Calgary-Shaw and the Provincial Treasurer, then one would think that the government would have learned and would have come forward with a comprehensive package of all the supporting documents, not simply picking derivative documents. That's in effect what we've got here. We've got derivative documents; we don't have source documents. We certainly have members in the opposition caucus and research staff that would be able to do an analysis of that. That would leave us in the position where we'd be able to vote for or against this thing with simply a more accurate assessment of what the risk is to Alberta taxpayers. In the absence of that information I think it's exceedingly difficult to support this portion of the estimates, and I expect I'm not the only one that has those kinds of reservations, those kinds of concerns.

Thanks, Mr. Chairman.

THE CHAIRMAN: The Chair has the understanding that we're going to go through the three departments.

Agreed to:

Environmental Protection	
Operating Expenditure	\$147,500,000
Health	
Operating Expenditure	\$35,000,000
Transportation and Utilities	
Operating Expenditure	\$11,425,000

MR. DINNING: I move that the Committee of Supply rise and report to the Assembly, Mr. Chairman. Before we do that might we vote that the vote be reported? I move that the vote be reported.

THE CHAIRMAN: The hon. Provincial Treasurer has moved that the vote be reported when the committee rises.

[Motion carried]

THE CHAIRMAN: Hon. Deputy Government House Leader, for form's sake let us have the motion to rise and report.

MR. EVANS: I would move, Mr. Chairman, that the committee now rise and report progress.

[Motion carried]

[The Deputy Speaker in the Chair]

THE DEPUTY SPEAKER: The hon. Member for Dunvegan.

MR. CLEGG: Thank you, Mr. Speaker. The Committee of Supply has had under consideration certain resolutions, reports the approval of the following estimates, and requests leave to sit again. The 1995-96 supplementary supply estimates for Environmental Protection, \$147,500,000 operating expenditures; Health, \$35,000,000 operating expenditures; Transportation and Utilities, \$11,425,000 operating expenditures.

THE DEPUTY SPEAKER: Does the Assembly concur in this report?

HON. MEMBERS: Agreed.

THE DEPUTY SPEAKER: Opposed? So ordered. [interjections] Order. It would appear that the hon. Government House Leader has caused some disorder in the House, and we would hope that he could be forgiven.

MR. EVANS: It is late at night so that kind of thing does happen occasionally, Mr. Speaker.

Now that we have dealt with the supplementary estimates, I would move that we would revert to Introduction of Bills.

THE DEPUTY SPEAKER: Does the Assembly agree to the brief introduction of Bills?

SOME MEMBERS: Agreed.

THE DEPUTY SPEAKER: Opposed?

I think maybe what we want to do is waive Standing Orders and make that motion, hon. Deputy Government House Leader. Anyway, for the first one the answer is no and therefore defeated, so let's try that one again.

MR. EVANS: Mr. Speaker, I move that we waive Standing Orders and revert to Introduction of Bills, requesting unanimous consent to . . .

THE DEPUTY SPEAKER: Right. The Chair is in error of not drawing attention to the Assembly that this motion requires unanimous consent. The hon. Deputy Government House Leader has moved that we waive Standing Orders in order to revert to Introduction of Bills. All those in favour, please say aye.

HON. MEMBERS: Aye.

THE DEPUTY SPEAKER: Those opposed, please say no. Unanimous consent. You have consent.

head: Introduction of Bills

**Bill 45
Appropriation (Supplementary
Supply) Act, 1995 (No. 2)**

MR. DINNING: Mr. Speaker, I request leave to introduce Bill 45, the Appropriation (Supplementary Supply) Act, 1995 (No. 2). This being a money Bill, His Honour the Honourable the Lieuten-

ant Governor, having been informed of the contents of this Bill, recommends the same to the Assembly.

[Leave granted; Bill 45 read a first time]

[At 10:11 p.m. the Assembly adjourned to Thursday at 1:30 p.m.]