

Legislative Assembly of Alberta

Title: **Monday, October 23, 1995**

8:00 p.m.

Date: 95/10/23

head: **Government Bills and Orders**
head: **Committee of the Whole**

[Mr. Tannas in the Chair]

THE CHAIRMAN: I call the committee to order.

Bill 44 International Trade and Investment Agreements Implementation Act

THE CHAIRMAN: The committee would be reminded that immediately before we recessed, we had just completed amendment A3, which was defeated. Are there any further comments? Ready for the question?

The hon. Member for Edmonton-Whitemud.

DR. PERCY: Thank you, Mr. Chairman. Bill 44. The amendments that have been accepted go a significant portion of the way to dealing with the concerns that we had about the legislation being subsidiary to regulation. However, we still have had concerns about the process by which regulations would be reviewed and the extent to which they would be given public airing and to the extent to which the legislative process would be involved.

Because of our concerns regarding the process, I'm going to introduce an amendment, under the name of the hon. Member for Edmonton-Glengarry, to Bill 44. It's signed, and it's at the desk. It's just going to be distributed. I'll read out what the amendment does. The amendment adds the following after section 5:

- 5.1 Every regulation made under section 5(1) must be laid before the Legislative Assembly within 15 days after it is made, or if the Legislative Assembly is not then sitting, within 15 days after the commencement of the next sitting and may be annulled by a resolution of the Legislative Assembly.

What this motion does is provide both for the supremacy of the Legislature relative to regulation, but it also provides a vehicle for the government, should it need to bring in regulation, to be able to do so. What this amendment does . . .

Chairman's Ruling Decorum

THE CHAIRMAN: Hon. member, sorry to interrupt you, but we seem to have a difficult time this evening settling down. Even though you have a fairly penetrating voice, in spite of the robustness of it, it's not enough to overcome the ambient noise. [Mr. Smith entered the Chamber] [interjections] Hon. members, as you know, it is not parliamentary to comment on the absence or recent arrival of anyone, but we do welcome the hon. minister.

Would the hon. Member for Edmonton-Whitemud please continue, hopefully in a quieter and more receptive mood.

Debate Continued

DR. PERCY: So the intent of this amendment, then, which has been authored by the Member for Edmonton-Glengarry, is positive. It is to provide some clarity, some transparency to the process by which regulations fall under the ambit of Bill 44, but it also provides a vehicle for the government to harmonize when

required. It is offered in a positive spirit, because we think that the government has gone a significant portion of the way to addressing the concerns that we had initially raised when Bill 44 was brought into the Legislature. The initial concern that we had raised was in fact that Bill 44 was an abomination to the legislative process. The amendments that were passed today deal with that issue, but this goes, again, a significant portion of the way to ensuring that the Legislature is paramount to regulation. It also goes a significant portion of the way to meeting the legitimate needs of government in terms of harmonization and the like.

Chairman's Ruling Decorum

THE CHAIRMAN: Hon. member, I wonder if we could revert to the custom and tradition of only having one member standing and talking at the same time. The member that's been recognized is Edmonton-Whitemud. Hon. members.

Debate Continued

DR. PERCY: I hope that the hon. Minister of FIGA would give the high sign to his colleagues and say that this indeed is an amendment that he could support, because it is constructive and consistent with the spirit of the Bill as amended.

So if you are concerned as a private member – and you ought to be; I'm not talking to the front bench now – that there is a role for the Legislature, that not everything should be done by order in council regulation, you will vote in favour of this amendment, because it both addresses the requirements that the Legislative Assembly be paramount and is also consistent with the role that government sees for itself in terms of attempting to harmonize legislation. So I would urge all members to vote in favour of the amendment to 5.1.

THE CHAIRMAN: The hon. Member for Calgary-North West.

MR. BRUSEKER: Thank you, Mr. Chairman. I, too, would like to support this amendment. One of the concerns certainly that we have raised before with respect to Bill 44 deals with the issue of supremacy of legislation over regulation. What this amendment proposes to do is to ensure that regulations that would be made under this particular Bill, if indeed this amendment is accepted and the Bill passed as amended, would require the ratification of this Legislative Assembly.

Now, Mr. Chairman, one of the things that we hear regularly in debate in this Legislature is that this is the supreme court of the land, of the province of Alberta if you will, that indeed we make the law, and we can decide what it is that will happen here. Well, what this amendment proposes to do in fact is to ensure that that will remain to be the case. If you look at the last part of it, it says that regardless, one way or another, regulations "must be laid before the Legislative Assembly," and then it proceeds to describe either while the Legislative Assembly is sitting or shortly after it recommences sitting, in the event that regulations are passed in the summertime, for example, or over a Christmas break.

So what it does, then, Mr. Chairman, is ensure that regulation that would then be tied to this legislation – because we have to put the two of them together. It ensures that this Legislative Assembly in fact remains the supreme author of where the province is going to go on a variety of issues. In this particular case, what we're talking about is international trade and investment agreements. So in fact what this Bill would then say is: yes, the

cabinet has some authority and yes, the cabinet has some responsibility to look at issues to ensure that international trade and investment agreements that are referred to in the entire section 5 would in fact be workable, that they could go ahead, and that in fact you could end up with a positive flow of trade, which of course is what – and I'm sure all members would agree – has been critical to the development and benefit of this province.

By adding this particular amendment, what it then says is that even after the cabinet makes those new regulations, it must come back to this larger group. The cabinet really is just a subset – being a former math teacher, I'm sure he'll appreciate that term – of the entire Legislative Assembly. What it says, then, is that after that subset group has made a decision, then it has to come back to the entire Legislative Assembly. Mr. Chairman, that seems to me to be the best way to ensure that all parts of the province indeed get the opportunity through their members elected to the Legislative Assembly to voice their concerns, considerations, thoughts, what have you, on the regulations as being proposed.

When we look at section 5, as it was earlier amended today, it is now just, as the Bill was printed, sections 5(1)(a) and (b). The other parts have been deleted through amendments tabled earlier this afternoon. In fact now what we have is a section that says: yes, we want these international trade agreements to go ahead, no problem, and to give effect to these, we will go ahead with concessions or obligations as per the agreement that has been outlined. To do that, in the preamble it says that “the Lieutenant Governor in Council may make regulations.”

This amendment we have before us today is in fact an amendment that would not in any way, shape, or form slow down the process, would not in any way, shape, or form prevent regulations necessarily from being approved to ensure that these trade agreements would go ahead. It simply says that we must have a second consideration, that after the cabinet – the Lieutenant Governor in Council – produces those regulations, there must be a second consideration of the regulations that have been proposed. That's all really that this amendment says: let's look at it a second time; let's give it good consideration.

8:10

Quite frankly, I'm sure the government has already realized that if indeed this amendment passes and is accepted, as it should be, then what the Legislative Assembly can do and what the government can in fact do to ensure that the regulations will in fact go ahead, of course, is they can simply say to their private members that this is an important issue and, with the strength of numbers that the government has, can ensure that the regulations are passed.

What it does ensure, Mr. Chairman – and this is the positive side of this – is that those regulations will become public and be debated and discussed in the public domain, this Chamber, or this body of 83 Members of the Legislative Assembly. Without this section, if this section is not approved, what we will end up having, or the possibility that we could end up having, is that regulations could be passed by the Lieutenant Governor in Council and simply enacted, put into force without any public debate, without any time to reflect, reconsider, re-evaluate those regulations in a broader debate and in a broader group, with more heads to think about the same issue, whatever that issue may be that is up at that time.

Mr. Chairman, this amendment is indeed a very positive amendment, in keeping with the government's claim to openness and debate and positive input from the people and the public of

the province of Alberta. This, I would think, would be an amendment that would be embraced by the members. I see that one of them, Mr. Chairman, is just hanging on my every word, and it gives me joy to see that happening. I'm sure that when it comes time for the vote, he too will be joining us in supporting this amendment introduced by the Member for Edmonton-Whitemud on behalf of the Member for Edmonton-Glengarry, and I, too, will be voting in support of this particular amendment before us today.

Thank you.

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

MR. SEKULIC: Thank you, Mr. Chairman. I rise to speak in support of the amendment to Bill 44, the second amendment, which would follow section 5 as 5.1. As I read the Bill originally, initially, there was grave concern with the scope of the Bill and the potential impact if it were passed in its original form. Fortunately the government saw fit to introduce a substantive amendment, and we're coming closer.

Now, this amendment, 5.1, reads: “Every regulation made under section 5(1) must be laid before the Legislative Assembly within 15 days after it is made.” Mr. Chairman, what it speaks to is that there are layers of accountability and that sometimes we can look to and give different weights to the different layers, but ultimately we must in some way re-establish that this is where laws are made and those requisites for those laws to be operationalized are made. So although a cabinet could in effect make regulations to allow government business to be conducted in a timely manner, that regulation or those regulations would eventually have to come to the floor of the Assembly for complete scrutiny and in effect comprehensive public input.

Mr. Chairman, the amendment goes on to say that if the Legislative Assembly is not then sitting, within 15 days after the commencement of the next sitting and may be annulled by a resolution of the Legislative Assembly.

Mr. Chairman, this gives this amendment, I guess, and this Assembly the ultimate power, as I think this Assembly needs to have. I just want to be very clear on how I'm using the ultimate power. We are sent here as representatives of the public, who place their trust in us. So in effect we do have a power, a power to create laws in their interest. That term “power” is not necessarily in us as individuals but in us as people who have been given sanctions by Albertans to come here and represent their interests. The Assembly through this amendment would be required to live up to that power and represent Albertans.

In some cases where it's questionable whether a regulation was made in their interests, when there was a serious question, then that regulation could be annulled by this Assembly. I think that would demonstrate the way democracy ultimately should work, that government can't be prevented from carrying on the business of government because sometimes they must act when the session is out and when the full Legislative Assembly can't meet. However, that doesn't preclude the fact that at some point all of the business which is large in magnitude in terms of its impact on the welfare of Albertans needs to come to this Assembly for thorough debate.

So when I see this amendment put forward by my hon. colleague from Edmonton-Glengarry, I see it as a positive amendment, one which isn't intended to hamper government, because it certainly doesn't. It enables government to act in a responsible way to conduct its business on behalf of Albertans.

However, there is a layer of accountability introduced here where it's then forced to return to the Assembly for full debate.

Mr. Chairman, with those few comments and on the basis that this is in fact a positive amendment coming from a positive opposition, attempting to assist government to make good laws for Albertans, it should be supported wholeheartedly by all members of the Assembly.

THE CHAIRMAN: The hon. Member for Lethbridge-East.

DR. NICOL: Thank you, Mr. Chairman. I also would like to speak in favour of this amendment to the Bill. I think it broadens out the perspective of what the authority of the Legislative Assembly is. It recognizes that we are the elected lawmakers of Alberta, and it in essence provides an opportunity for the Lieutenant Governor in Council to operate within the constraints of in-between session requirements and needs in order to implement trade agreements, but it also, then, brings back to the Legislature the ultimate authority to either verify those regulatory changes or make a change that would suit better the needs as perceived by this Legislature or annul completely the aspects that those regulatory changes were being put in place for.

Mr. Chairman, I think this is really a very important aspect to have in this particular Bill. A lot of times regulations and regulatory change bring about alternative definitions of how we handle our laws, but in this case when we're dealing with international trade, regulations that are brought about and put in place under section 5 of this Act really have the effect of becoming commitments to an international community, and they have an effect of bringing forth changes in the structure or the process of Alberta regulation and law that would affect our perception and our vision and how we're viewed by the international community. From that perspective, I think the idea of having to have those regulations approved in the Legislature by the elected representatives of the province really adds a strong commitment to the perception that we have and how important international agreements and international trade are to us as a province. Yet it goes to the point that it also gives us a chance to stand by the groups that might be affected by any of those regulatory changes, get input from them, bring them back to the Legislature, and make a strong commitment to their views and to having their views heard.

So from that perspective I think that if we look at this proposed amendment to the Bill, we can see that it really is a positive step in the right direction and adds this extra dimension of concurrence to the international scope that these regulations would have, in effect. I think it really makes a strong commitment that we're giving the elected representatives of the people of Alberta a chance to have input to their international agreements, and I think that this part of the amendment should be really strongly supported. If we do, then it will make a very attractive and a very acceptable piece of legislation for the people of Alberta.

Thank you.

8:20

THE CHAIRMAN: The hon. Member for Edmonton-Avonmore.

MR. ZWOZDESKY: Thank you, Mr. Chairman. I rise to make a few comments here as well with regard to the amendment proposed by the hon. Member for Edmonton-Glengarry to Bill 44, that being the International Trade and Investment Agreements Implementation Act. Now, the reason that I've been propelled to my feet to speak in support of this amendment arises in part out of the discussion we had a little earlier in the day surrounding Bill

46, which as you know dealt with laws and regulations. We had a very lively debate, as you will recall, during that discussion surrounding the need to have more accountability and more openness and more honesty and all that kind of thing from the government opposite. At the end of the day, of course, the government used its majority to usher that particular Bill along to its foregone conclusion, one might say. After I reflected on that over the last couple of hours, it occurred to me that now that we're moving on to another Bill, Bill 44, we have the opportunity to at least again raise for the public's concern and certainly for the concerns of all the members sitting on the opposite side what we feel is an integral part of the democratic process.

When I read this particular amendment, Mr. Chairman, I'm very pleased to see that the Member for Edmonton-Glengarry has made note that the government should at least take a very close look at section 5(1) because of the tremendous amount of power that comes under that particular section. Now, along with that power should also come some extreme responsibility, and it's my belief that this particular amendment holds that kind of responsibility and that kind of capability for responsibility within its wording because the amendment clearly states that "every regulation made under section 5(1) must be laid before the Legislative Assembly within 15 days after it is made," and of course the amendment goes on. All that simply means, Mr. Chairman, is that the public through the opposition would have a right to take a look at every single change that the government wishes to make.

We see here under section 5(1) that the Lieutenant Governor in Council, which for all intents and purposes could be read as the minister, may make regulations to give effect to major portions of the international trade and investment agreement or to any particular provision of it, and I say: well, so be it. If that's the way it has to be, then at least let us have some kind of a sober second thought possibility within that regulation, within that particular part of the Bill. Let us have this amendment come forward so that the government can in effect deliver on its promise to be more open and accountable.

From our point of view as an opposition, as an integral part of the democratic process, we do our part to try and hold the government accountable. We do our part to also try and be helpful. What could be more helpful? What could be more open? What could be more accountable than to have these regulations brought forward in a timely fashion for careful debate, for more review, for a chance for all of us on behalf of all Albertans to take a look at them in the true role of being the government's watchdog, if you will.

The other thing that I think it would do is clear up a lot of what the current outcry of the public is surrounding any secrecy. Now, if there is no secrecy going on anywhere, Mr. Chairman, then here is a prime case where the government could deliver on that particular promise once and for all. They could make these particular regulations come forward for full, open, honest debate. There would be nothing wrong with that, and I'm sure the public would perceive the government to be acting out its promise of openness and accountability. Anything short of that, in fact anything short of accepting this amendment as it is proposed, would make it appear that we're operating not so much under a democracy as we are under some form of a democratic dictatorship. I don't mean that in a literal sense. I mean that in a figurative sense. We know that in a true democracy people would like things brought open. People want information. People don't want any more uncertainty. They don't want and they don't need any more insecurity.

As I began to read through the larger Bill which this amendment is intended to serve, I read on page 1 something that cheered my heart quite a lot. It says here:

Whereas the Government of Alberta recognizes the benefits of and supports increased liberalization of international trade and international investment

et cetera. I thought that this was truly going to be an opportunity for us to come closer to understanding some of those details, and as I see some of the regulations coming forward, I was hoping that we might see them before they go into law so that we would see them in the draft stage, so that we would see them in the form of the legislative process here and have an opportunity to debate them openly and honestly. You see, the impact of this particular amendment would be such that the entire process would be opened up to some additional careful and constructive scrutiny, which as you know, we on this side of the House provide on everything that we review, and we do that not only for our own benefit and for the benefit of members opposite, but we do it for the benefit of all Albertans.

As I traveled around the province this summer and even this fall, I found that the gist of this amendment is exactly what is in the hearts and on the minds of Albertans provincewide. They want more things brought forward in this House for public debate. They want to be kept in the know. I think it comes as no surprise to many people listening and people who will read this bit of a record after the fact that we have had a little too much secrecy or a little too much being done outside of the legislative process.

Earlier today when we were talking about regulations, which is what this amendment talks about too, we talked about the need for the Law and Regulations Committee to at least call a meeting, Mr. Chairman. You will recall that particular discussion, and here's a chance through this particular amendment to give that committee, again, a little bit of work to do. As you know, we all sit on that committee voluntarily, so we're not talking about any expense to government. We're simply talking about this amendment as it relates to, for example, a standing committee of this Legislature exercising its proper role within the process of democracy, within the legislative process that we all ran to represent. So here as I read this amendment, I say to myself: what is the problem that the government might have with it? There shouldn't be any, because all it does is it fulfills, flushes out, and expands simply to Albertans what they believe the Legislature stands for and what true democracy is all about.

So I have no problem in supporting this amendment, and I hope members opposite don't have any difficulty either.

One other consequence, Mr. Chairman, is that Bill 44 of course is aimed at at least a large part of NAFTA. I know that it speaks rather a lot to the environmental side and the labour side, but what interests me here is that this particular Bill has rolled in with its implications for the government of Canada. In other words, it's a Bill with much greater impact, if you will, than just on the province of Alberta alone. It's talking about things that can affect things well beyond our own provincial borders. We're not just talking about a small pond here. We're talking about a country, ocean to ocean, and I think that this particular amendment would have the capability to affect a much larger picture on behalf of the government of Canada. So if we on this side of the House can flush something out – and we know that we've seen that before – then I think that's a very positive and constructive thing to do. Clearly this amendment does that, and I stand in full support of it.

In closing, Mr. Chairman, I would simply urge all members opposite to revisit what it is that they said when they campaigned, just like I did, to become a member of this respected House, to

please revisit what their campaign slogans were, and then take a look at this very amendment against those campaign slogans and tell me if there's anything in this particular amendment that goes against what you said on the doorsteps. I'll bet you there isn't. On the basis of that argument alone, I would seek their full support for this. I would express my tremendous disappointment if we didn't get full support, because it simply asks for something that we all fundamentally believe in. Furthermore, it speaks to what we are charged with as members of this respected House; that is, openness and accountability here, where it counts most.

Thank you, Mr. Chairman.

8:30

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

MR. DICKSON: Thanks very much, Mr. Chairman. I just wanted to add perhaps one or two additional aspects to the analysis that's been done. [interjections] Certainly, listening to my colleague for Edmonton-Avonmore in the last few moments, he's developed the analysis in a fashion that is . . .

THE CHAIRMAN: Thank you, hon. members.
Calgary-Buffalo.

MR. DICKSON: Thanks very much, Mr. Chairman. I was just lauding the job done by the last speaker, the Member for Edmonton-Avonmore, who brought, I think, a particular level of both clarity and passion to speaking in support of this particular amendment sponsored by Edmonton-Glengarry.

The concern I wanted to raise, Mr. Chairman, relates to sovereignty. I think that what's unique about Bill 44 is the extent to which it facilitates one of the most significant international agreements that this province will ever be part of or party to. I think that when we talk about anything that potentially constitutes some surrender of some element of sovereignty, that requires perhaps an even greater degree of vigilance, perhaps a higher standard in terms of protection and safeguards.

I think that we've seen in other debates surrounding NAFTA a concern in terms of what this will mean in terms of Alberta labour legislation, certainly in terms of Alberta environmental protection legislation, and that means both laws and regulations. Also, I think there's an element of concern in terms of a legal system, because what we find coming through NAFTA is an increased emphasis on harmonizing legal systems. I'm not speaking about criminal legal systems but certainly civil legal systems. One can see that Bill 44 may provide a much greater impetus to those kinds of themes or those kinds of movements that currently exist on the continent. Given the sovereignty aspect, given the strong number of factors that tend to auger or promote or point in the direction of a harmonized justice system and other points of interlocking between our nation and other nations, it becomes critically important what nature and what manner of regulations are made under NAFTA. I think that this highlights in a way that I can think no other way of highlighting the importance of legislative control over regulatory lawmaking.

I view this amendment, quite frankly, as a poor second, Mr. Chairman, a poor second to the earlier amendment that had been proposed and, regrettably, was defeated, that would have had the regulation referred to a standing committee of the Legislature. Why? Well, because a standing committee is simply a more efficient vehicle to try and deal with the kind of detail that one finds involved in regulatory authority and regulatory lawmaking. As I say, regrettably that amendment was defeated by the govern-

ment majority, so what we're looking at is an alternative. Although it's a poor second, it clearly is an alternative which still attempts to underscore the whole principle of parliamentary supremacy.

I can't help but think, looking at this amendment, that the need for it is even more compelling having heard the Government House Leader in his attempt to sum up debate on the other Bill we had been dealing with earlier, Bill 46. It seems to me that he made the case far better than anyone else could for legislative approval, legislative control, if you will, over regulatory lawmaking. Why? Well, I think the explanation is that when we heard the Government House Leader speaking to this, he showed not so much as a glimmer – not a glimmer – of understanding of why the Legislature must always be supreme.

I guess this is what happens if you've had the good fortune or misfortune to have been on the government side as long as the Government House Leader. You tend to think that your own shop is the most important one in the overall scheme of things. You tend to think that your role is the absolute, indispensable part and cog of the bigger, democratic lawmaking machinery. The reality is, I think, to anybody who sits back and perhaps isn't quite so consumed with the weighty responsibilities of his office, those of us that maybe can endeavour to be a little bit more objective, that you realize really what a fallacy that proposition is. I refer here to the proposition put forward by the Government House Leader earlier this afternoon in debate on another matter, when he indicated not the slightest understanding of why the executive branch is accountable to the Legislature, not the other way around, Mr. Chairman. It's not that the Legislature is accountable to the executive, although that's clearly the distorted view that the Government House Leader seems to carry with him.

I think that the government members who resisted previous attempts to amend Bill 44 to achieve a similar objective should be able now to relax with this amendment. They should now be able to be reasonably confident that the cabinet will still retain the iron hand. They're still going to retain what I might say would be an indecent degree of control over the process in a way they may not have if this were referred to the all-party committee.

I think that that iron control that the government will still have by controlling just by sheer numbers the Legislative Assembly means that this amendment, which provides a modicum – and it's only that: a modicum – of legislative control should be acceptable. It should surely satisfy the concerns of the most control-fixated members of the government side. Surely they can support this amendment if not with enthusiasm then at least with a sense of fairness or a spirit of fairness. I appeal to government members' sense of fairness. I appeal to their respect for the legislative process to accept this amendment, having defeated all previous amendments, and allow us at least to go to my constituents in Calgary-Buffalo, your constituents, Mr. Chairman, in Highwood and say: the Legislature's control has been respected, will be maintained. I think there's probably no more important job that any of us can do in this Chamber than to consolidate, ratify that important position of the Legislative Assembly in the overall scheme of government.

With those comments, Mr. Chairman, I'll conclude my comments on this amendment and simply urge all members to vote in favour of what I think is a positive amendment although not as ambitious as some of the earlier ones.

Thank you.

8:40

THE CHAIRMAN: Are you ready for the question? We have before us, then, an amendment to Bill 44, the amendment known

as A4, moved by Edmonton-Whitemud on behalf of Edmonton-Glengarry that Bill 44 be amended by adding the following after section 5: 5.1. All those in support of this amendment, please say aye.

SOME HON. MEMBERS: Aye.

THE CHAIRMAN: Those opposed, please say no.

SOME HON. MEMBERS: No.

[Several members rose calling for a division. The division bell was rung at 8:41 p.m.]

[Ten minutes having elapsed, the Assembly divided]

For the motion:

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|-------------|-----------|------------|
| Beniuk | Germain | Taylor, N. |
| Bruseker | Leibovici | White |
| Chadi | Nicol | Zariwny |
| Dalla-Longa | Percy | Zwozdesky |
| Dickson | Sekulic | |

Against the motion:

| | | |
|-----------|-----------|------------|
| Ady | Fritz | Mirosh |
| Brassard | Haley | Paszkowski |
| Burgener | Havelock | Pham |
| Calahasen | Hlady | Rostad |
| Clegg | Jacques | Severtson |
| Coutts | Kowalski | Shariff |
| Day | Laing | Smith |
| Doerksen | Langevin | Stelmach |
| Evans | Magnus | Taylor, L. |
| Fischer | Mar | Thurber |
| Forsyth | McClellan | Woloshyn |
| Friedel | | |

Totals: For – 14 Against – 34

[Motion on amendment A4 lost]

[The clauses of Bill 44 as amended agreed to]

[Title and preamble agreed to]

THE CHAIRMAN: Shall the Bill be reported? Are you agreed?

HON. MEMBERS: Agreed.

THE CHAIRMAN: Opposed? Carried.

Might we have agreement to briefly revert to Introduction of Guests?

HON. MEMBERS: Agreed.

THE CHAIRMAN: Opposed? Carried

The hon. Member for Edmonton-Meadowlark.

head: **Introduction of Guests**

MS LEIBOVICI: Thank you. It gives me great pleasure this evening to introduce a personal friend of mine, who is in our wonderful city this evening. He is the newly-elected president of

the Child Welfare League of Canada, and he's also the executive director of Les Centres de la Jeunesse et de la Famille Batshaw, the Batshaw Youth and Family Centres, in Montreal, Quebec. His name is Vaughan Dowie. Would he please rise and receive the warm welcome of the Legislative Assembly.

Thank you.

head: **Government Bills and Orders**
head: **Committee of the Whole**
(continued)

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

THE CHAIRMAN: The hon. Member for Edmonton-Whitemud.

DR. PERCY: Thank you, Mr. Chairman. I'm going to discuss and raise questions regarding the appropriations Bill, particularly the component that allows for an appropriation of \$147,500,000 for Swan Hills. I'm going to do so in the context of the Auditor General's report that came out today because this report is very detailed, and certainly its implications I think are astounding when you assess the payout of the joint venture agreement.

What I'd like to do is provide context, and I'll do so by drawing hon. members' attention to page 16 of the Auditor General's report. The Auditor General's report says that there were two strategic decisions that were made that were complete mistakes:

- the terms of the joint venture agreements between the Corporation and BVR/S/Bovar, and
- the decision to proceed with a major expansion of the Swan Hills facility in 1992 without first ensuring that the regulatory requirements necessary to obtain the facility's forecasted waste streams were in place.

These two issues bear fundamentally on the appropriation that we have before us tonight, because it is the joint venture agreement and it is the expansion which in fact lead us to hear the government's case that \$147,500,000 should be appropriated to buy our way out of the joint venture agreement.

Now, initially, when the deal to buy our way out of the joint venture agreement to cap our losses was passed, I thought it was not a bad deal, given the constraints that we faced. The constraints were set by the joint venture agreement, which the Auditor General so justly criticizes. However, my views have hardened significantly. I would draw all hon. members' attention to page 28 of the Auditor General's report. On page 28 the Auditor General spends a considerable amount of time talking about the minutes of the corporation's meetings in October of 1992, and in particular he provides an overview of the debate that occurred about amending the joint venture agreement and the position that the board took, that in fact what they should do is invoke section 1302 if necessary in the event an acceptable agreement could not be obtained.

Now, section 1302, Mr. Chairman, is the section that deals with termination and buying our way out of the agreement. What I would do is draw all hon. members' attention to page 33, second paragraph. Let me read to you that paragraph.

The possibility of invoking a buy-out of Bovar's investment in the Joint Venture for less than \$40 million provided powerful negotiating leverage. I believe that the negotiating strategy outlined by the Corporation's President in June 1992 was sound, and that not using all available leverage to improve the Province's position was a strategic mistake.

That passage there says that we could have gotten out of this deal for less than \$40 million. In fact, I was at the Auditor General's press conference with my colleague from Sherwood Park, and the Auditor General said that in June of 1992 we could have paid between \$36 million and \$40 million and bought our way out of the joint venture agreement. We did not. In fact, what happened, Mr. Chairman, is that negotiations then continued to amend the joint venture agreement, and in so doing, we ended up with an amended joint venture agreement that was in fact not significantly different from the original joint venture agreement.

9:00

Now, the reason I spend time on this, Mr. Chairman, is because this is new information. Nobody on this side of the House knew that the board in June had recommended that section 1302 be invoked in the absence of an equitable deal. Not a single person on this side of the House knew. Members on that side of the House knew, particularly those that were on the board of the Alberta Special Waste Management Corporation. June of 1992, then, is a fundamental date to look at because we could have gotten out for less than \$40 million if the then minister of the environment, the hon. Member for Calgary-Elbow, the now Premier, had in fact followed the advice of the board and allowed the government to exercise its leverage. Because they did not do that, we now have an agreement that we have to pay \$147.5 million to cap our losses. So the cost is at least an extra \$100 million for not invoking 1302 in June of 1992.

That's only part of the story, Mr. Chairman, because subsequent to June of 1992 we then commenced the ill-advised expansion, a project which started off at \$60 million and ended up costing \$104 million. Again, Tory planning at its best. That expansion of the plant in late '92-'93 meant we had a larger capital base. It then required the loan guarantee, and this is part and parcel of the \$147.5 million that we now have to pay as opposed to the \$40 million that was an option – again, that has to be repeated: that was an option – in June of 1992 that this government and these members ignored. So that cost us at least an extra \$100 million.

Because the plant is now larger, the costs of in fact dismantling the plant and site reclamation are even greater, and the Auditor General has put those costs at between \$31 million and \$58 million. So we have the extra at least \$100 million that was due then to the decision not to invoke 1302 in June of 1992 plus the extra costs associated with the dismantling of the plant. Then we have ancillary costs that are directly related to the expansion. So we're looking at least at \$125 million to \$150 million more that is directly attributable to the decision by the environment minister of June of 1992 not to invoke 1302.

When I look now at the agreement that the hon. Member for Calgary-Shaw has reached, given the constraints of the amended joint venture agreement that we subsequently signed in April of 1993, it's better than a poke in the eye with a pointed stick. What an option. Not much better. But we had the option in June of 1992.

So my questions would be to the minister of the environment and to the chairman of the Alberta Special Waste Management Corporation. First, how much incremental costs does he associate with the decision of June of 1992 not to invoke 1302? How much extra do the taxpayers of this province owe the then environment minister because of his decision to take the easy way out and hope the decision would just go away, which it didn't? The problem just grew like Topsy. Second, in the context of providing a fairness assessment, why weren't other options that could have

been adopted provided as historical context, particularly this debate by the board in the summer and fall of 1992? That would have been valuable context for really assessing the fairness of the agreement that was brought forward, and certainly when I look at this and what we could have done in June of 1992 and I see what we did, it has caused me to rethink my position significantly. So the one question is: what's the incremental cost of not having invoked 1302 in June 1992?

The second question relates, in fact, to the issue of oil field waste. Now, I'll draw all hon. members' attention to the issue of oil field waste because it's very clear that this caused the Auditor General significant problems. Let me just quote again from the Auditor General's report of '94-95 on page 42. "So why did the forecast volumes of oilfield waste that would require treatment at Swan Hills fail to materialize?" What does the Auditor General say? He says, "I have found this question the most difficult to answer." The reason it's the most difficult to answer is because there was an extraordinary flip-flop in government policy in this period.

Bovar was led to believe that in fact Swan Hills would be treating oil field waste. In fact, it is likely that they saw draft 3 of the regulations for treating waste that specifically required oil field waste to be treated at Swan Hills. Decisions were then made. The decision was made, and the joint venture agreement was negotiated in part then to deal with anticipated volumes that allowed for these oil field wastes.

Suddenly in December of 1992 the decision was made not to include oil field waste. Now, what is interesting, Mr. Chairman, is that we don't know whether it's December 13, when the new Premier was in place, or December 9, when we were just witnessing the last vestiges of the Getty years. There's a period in there where suddenly we're committed to treating oil field waste. There is a flip-flop which the NRCB doesn't know about, Bovar doesn't know about, and in fact by draft 8 of the regulations oil field waste is out. Who's responsible?

So my question to the chairman of the Alberta Special Waste Management Corporation, through the Chair, is: who in fact allowed for the flip-flop in terms of the treatment of oil field waste? Why was it that in October oil field waste was going to be treated and then in December it was not? Why did those people who in fact made the decision not allow those that were going to be directly affected to know? This issue of oil field waste I think is going to be the issue that is going to dominate debate, because this was during the period of the leadership campaign, and suddenly positions shifted. Suddenly something that was costly to one component of the energy industry disappeared over the course of the Conservative leadership election campaign. Between October and December of 1992 oil field waste suddenly was shifted from being treated at Swan Hills to in fact not being treated.

A series of investment decisions were made on the basis and the presumption that it was going to be treated, and the Auditor General expresses amazement. He can't find the answers, and in fact when he talks to the people involved, he doesn't get the answers. So it's pretty clear to me that if there is one thing that comes out of the Auditor General's report, it is the need for a public inquiry into what happened in that period from October to December of 1992 with regards to oil field waste, because there was a significant shift in policy that has left taxpayers holding the bag for hundreds of millions of dollars.

So I have only two simple questions for the chairman of the Alberta Special Waste Management Corporation. What is his

calculation of the incremental costs of not invoking 1302, again through the Chair, always through the Chair, in June of 1992? What then caused the flip-flop in government policy between October and December of 1992? We're talking now, in light of the Auditor General's report, of the equivalent, if you recall, of the famous Rosemary – was it Rosemary Woods' 18 minutes of tape that sort of disappeared? Her foot slipped, and suddenly . . . Here we have October, November, and December. We've got three months that seem to have disappeared into a void in terms of who did what with regards to regulations that deal with the treatment of hazardous waste. I would think that the chairman of the Alberta Special Waste Management Corporation would be privy to this information and certainly would be interested. Because again it sets the context. We're being asked now to vote for \$147.5 million when we could have, in fact, in 1992 voted on \$36 million or \$40 million. There's a significant difference.

9:10

The other issue, of course, that remains to be addressed is that of accountability, Mr. Chairman. This is a government that has held teachers accountable, nurses accountable, physicians accountable, university professors accountable. Who's going to be accountable on the front bench for a half billion dollars? This cannot be another NovAtel where the government says: it was our negotiators. There is the parliamentary concept of ministerial accountability. Which minister is accountable? This cannot be like NovAtel. It cannot go gently into the night. There must be ministerial accountability.

Again, I'm just going to rephrase a question that I asked during question period. Which minister's going to stand up and say: "Yes, the buck stops at my desk. This occurred under my watch. I am responsible"? It's a very simple question that just requires a minister to stand up and accept responsibility and respect the parliamentary tradition of ministerial accountability. The Auditor General's report, though I think very highly of it, always talks about provincial negotiators. We don't hear the words "minister" and "ministerial accountability." That's what lacking, and that's what this forum will get a handle on.

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

THE CHAIRMAN: The hon. Member for Fort McMurray.

MR. GERMAIN: Mr. Chairman, it is exceedingly difficult to follow in speaking order the hon. Member for Edmonton-Whitemud because of the clarity which he brings to this debate and the way in which he separates the fact from fiction.

Now, I noticed a couple of things, Mr. Chairman, that bear some mention before I get into my comments, and that is that during the last standing vote the hon. Conservative Whip was seen shaking his finger at the Member for Edmonton-Norwood because that member had the temerity to actually vote for an amendment. That was an interesting observation. When the hon. Member for Edmonton-Whitemud was speaking, I noticed that the chairman of the Special Waste Management company was laughing and found something hilariously funny when the hon. member was speaking of \$147,500,000 of government loss – not the federal Liberal government in Ottawa, not the Liberal opposition in Alberta, but only one group or organization to blame, and that is the government of the province of Alberta, the Progressive Conservative government of this province.

You know, Mr. Chairman, this is not a debate about the clean environment. The hon. Member for Barrhead-Westlock last Thursday would have us believe that this is like garbage collec-

tion, and you have to pay something to collect garbage. This debate is not about a clean environment. We all agree that there should be a clean environment. This is a debate about a scandalous mismanagement and a scandalous waste of money. This is not about the good folks in Swan Hills, who have found that their community has suffered some beating in the press lately and have been moved to write a letter to the editor saying, "Leave us out of it." This is not about them because we could have given each of those families, the 130 families involved, a million dollars each and still had \$340 million to put into health care in this province. That is how staggering this loss is. We could have given each of those good families in Swan Hills a million dollars out of this settlement money and still have been further ahead if we could have found a way to save this money.

Now, this is not about PCBs. It is not about PCPs. What this is all about is PCs. That's what this debate's about, PCs. It's about the PCs and their negligent failure to protect the taxpayers of the province of Alberta, and that is the sum total of what this debate is about, Mr. Chairman.

People who invoke the good name of the folks in this little community where this plant is situated and people who invoke the righteous argument that this is a garbage collection problem ought to be ashamed of themselves, because this is a debate about the negligence of each and every member across that way that sat there, sat there in silence, sat there with their tongue clenched between their teeth, sat there mute, sat there not speaking, sat there absolutely quiet, sitting on their hands, when this kind of extravagant expenditure and waste occurred in the province of Alberta. Ladies and gentlemen, you ought to be ashamed.

You can redeem yourselves tonight by standing up and voting against this Bill. You could vote tonight to save this \$147 million and say that enough is enough. Yes. The hon. Member for Calgary-Montrose shakes his head. You can do it, sir. You can vote to redeem yourself. You can say no. That's what you can do.

AN HON. MEMBER: Then what happens?

MR. GERMAIN: Then we'll explore the real alternatives. We may even have to rip this deal up with legislative approval, but we won't go into that. We will explore some rational alternatives.

You know, this may be more than just PC negligence, Mr. Chairman. This may in fact even be about PC bad faith, the bad faith that would not admit prior to the last election that this thing was a fiasco and a disaster, the bad faith that would not pull the pin on a bad deal when they had the chance. I want to say to you, every one of you that sat over there – and I exempt the newly elected members who came in in June of '93 because the die was cast for you by that time. I say to every one of you that is still sitting in those legislative chairs that was there before and I ask you on behalf of all Albertans: where were you? Where were you when the worst deal in the world was negotiated? Where were you when the very worst arrangement that could have occurred did occur?

Now, a lot of people and some members of both sides of the Assembly, Mr. Chairman, are referring to this as another NovAtel. Why is this different from NovAtel? This is different from NovAtel because in NovAtel the government was swayed by zealous, well-meaning bureaucrats who felt that there was a great opportunity in technological research and development in telecommunications. So what happened in NovAtel was an overenthusiastic failure – belief in the bureaucracy and the so-

called pseudointellectual experts that advised the government. Why is this different? The hon. minister of advanced education pauses and wonders: why is this different? Well, Mr. Minister, this is different because here responsible, credible government officials said no. They said that this was a bad deal, and the government still pressed ahead. Now, who says that? Who says that, ladies and gentlemen, Members of the Legislative Assembly? It's not this hon. Member for Fort McMurray that says that. I said it last week, and the chairman, the hon. Member for Calgary-Shaw, stood up and said: oh, I was wrong. [interjections] But I didn't have the advance benefit of the Auditor General's report. I didn't have the advantage of . . . [interjections]

Chairman's Ruling Decorum

THE CHAIRMAN: Order. Hon. Member for Calgary-Shaw, please. You'll have an opportunity to speak to this Bill and to the allegations of the hon. Member for Fort McMurray, but he has the floor.

9:20

Debate Continued

MR. GERMAIN: Sure he will. He ought to be ashamed of himself. He'll have a chance to explain that. He hasn't yet tabled in the Legislative Assembly who was negligent, who was dishonourable in the conduct leading up to this deal.

Now, it's not just myself, Mr. Chairman, who says that. It's the Auditor General who says that there was some trouble with this particular transaction, and I want to turn to it right now. I want to turn to page 16 of this report and quote from the Auditor General's report where he says that the

waste treatment facility would have been less but for the following two strategic mistakes:

- the terms of the joint venture agreement between the Corporation and . . . Bovar, and
- the decision to proceed with a major expansion of the Swan Hills facility.

Now, Mr. Chairman, let us talk about the genesis behind each of those two mistakes. Let us talk about the comment of the Auditor General. All of you will have to go back to your ridings and explain this to your constituents. The hon. members from Red Deer will have to do that. The hon. member from Canmore will have to do that. The hon. Minister of Labour will have to do that. The hon. minister of science will have to do that. They will have to explain this odd section in the Auditor General's report. They will have to explain how the corporation's chairman, that is the government-employed official who was in charge of bringing this special waste facility onstream, said this about the deal:

The Corporation's Chairman believed that there were less costly private sector alternatives (including a regulated utility), which would accomplish the objective of private sector ownership and operation.

That was right in the minutes of this organization, yet in the face of that, Mr. Chairman, the government elected to proceed, to go ahead. What possible explanation could there be for that? Could there be a political one? I don't think so. Could there be the explanation that the government was incompetent or negligent or worse? Those are the questions that have to be answered.

That was not the only warning. The government didn't like that warning. So what did they do, Mr. Chairman? They went out and hired a private accountant to investigate further. What did that accountant find? All of the members opposite will have to explain this to their constituents. That accountant concluded the following:

Although the Crown's position is supportable given the corporation's mandate, we do not think it is the most prudent financial or business decision from the Crown's point of view. Given that the project is not presently seen to be economical using the current estimated costs and revenues, it does not appear 'practical' to establish this project in the private sector at this time.

We go on. Then we have in the Auditor General's report, Members of the Legislative Assembly, an analysis of the joint venture agreement and the comment made by the Auditor General that the guaranteed rate of return to this company was as high as 31 percent. We have a PC business government entering into a no-loss deal where the guaranteed rate of return is as high as 31 percent, and we still don't have any logical, rational explanation as to why this occurred. Why did this take place? Was it negligence? Was it incompetence? What was it?

The government then received a second warning. The second warning they received was in 1992. About the time they were discussing the expansion, there was again a warning from the corporation board that

without an appropriately amended agreement, it should seek to terminate the Joint Venture . . . because it was neither politically nor economically acceptable to continue to repay capital and pay a rate of return from public funds to a Joint Venture partner who was not sharing the risks.

Every one of the government members that was then in office sat on their hands, Mr. Chairman, and did nothing. What adjective describes that conduct? History will have to judge what adjectives you apply to that conduct. Was it negligence? Was it incompetence? Was it worse? Last week the hon. Member for Edmonton-Whitemud gave all members opposite a chance to stand up and apologize to Albertans and take the blame. Nobody stood up. Not one single person over there, Mr. Chairman, stood up and took the blame.

We now move on to discuss the rest of the changes that occurred in the famous 1992 amendments. There, for a hundred million dollar guarantee the Royal Bank graciously agreed not to take the profit but simply take only their principal loan if Bovar ran into economic difficulty. That was a tremendous concession that that company gave up, given that in Canadian law a bank is not entitled to profit on foreclosure of an asset or property but simply entitled by law to recover that which they're out. But, no, in exchange for giving up the right to take the profit, the government guaranteed another hundred million dollars or so of taxpayers' money.

AN HON. MEMBER: When was that?

MR. GERMAIN: That was in 1992, and we all know that many of the members opposite were here in 1992. Did anybody speak up against this then? Not so that the record shows, Mr. Chairman, and if other members in debate want to get up and counter that allegation, they're welcome to do so.

What happened after the amendments, Mr. Chairman, is that Bovar was still guaranteed a profit, they still had no risk of loss, and for the bank, the bank simply agreed to take what banks always do in a foreclosure, and that is to take only their principal.

You know, in 1985 the board told the government this was a bad deal. In 1992 again the board and the government's own experts said this was a bad deal. So why, Mr. Chairman, did this deal not get killed then? Could it have been because of the looming election? Could it have been because of the aspirations of the Member for Calgary-Elbow, who aspired to become Premier and did become Premier? If it was triggered by greed,

if it was triggered by a desire for greatness, it cost the people of Alberta upwards of a hundred million dollars to \$200 million. That will buy a lot of health care and a lot of schools.

In 1993 the then minister of the environment – now, who was the minister of the environment in 1993 at this relevant time? It was apparently the hon. Minister of Justice. He had a chance. He was approached and told, as I understand it, that the plant would not function without oil field waste, yet there was an oil field waste exemption put into the plan. What adjective do we use to describe that? Is it incompetence? Is it negligence? Or is it indeed bad faith? What adjective can we use to describe that?

MR. N. TAYLOR: How about stupidity?

MR. GERMAIN: Well, each member will apply his own adjectives.

The Auditor General, of course, polite to a fault, simply says: in my view, a costly strategic mistake was made in proceeding with the major expansion without first ensuring the underlying issues.

Now, in this particular document, Mr. Chairman, the Auditor General makes one other important general observation. The general observation that the Auditor General makes is this. He says that the government in fact was bargaining in this case throughout from a position of strength and theoretical competence, yet when they could have negotiated one of two ways, in each case they negotiated the worst deal possible for the taxpayers of Alberta.

Now let's look at the events of this recent week, Mr. Chairman. The hon. Member for Calgary-Shaw waited until 3 o'clock one day to table the documents in this particular transaction even though tablings normally occur at 1:30 in the afternoon. He required special permission of the Legislative Assembly to do that. No explanation has been given as to why that tabling occurred out of sequence. The legislative Bill . . .

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

Point of Order Imputing Motives

MR. HAVELOCK: Yes, 23(h), (i), (j). Actually, if the hon. member would like an explanation, it's simply this: we spent about five hours photocopying the documents and got them ready as quickly as we could. The signed documents did not arrive at the Legislature until, I believe, about 9 o'clock that morning.

MR. GERMAIN: Well, the member explains, then, that he couldn't photocopy the documents from 9 to 1 o'clock, four hours. I accept that explanation, Mr. Chairman. If he says he couldn't photocopy them from 9 till 1, an important deal like this, I accept that.

MR. HAVELOCK: It was this thick.

MR. GERMAIN: I saw the stack of documents.

MR. HAVELOCK: So it takes a while.

MR. GERMAIN: All right. So it takes more than the four hours that the hon. member had from 9 till 1 o'clock; I accept that. All right.

9:30

Debate Continued

MR. GERMAIN: Mr. Chairman, what now can be done? Well, I want to suggest to the hon. Members of this Legislative Assembly that we stand up shortly and sound a symbolic message that the end of the day has come for government wasting taxpayers' money and that we vote against this \$147,500,000 bailout and that we look for other cheaper alternatives, including a termination of the agreement with Bovar by whatever means possible, to solve this problem and that we use that \$147 million where it'll do the most good in the province of Alberta: for schools and for education.

[Mr. Clegg in the Chair]

This is a damning document, a document that suggests that there was incompetence, that there was negligence. I want to suggest, Mr. Chairman, although I say it cautiously, that there may even have been bad faith here. There is something that is amiss in this particular transaction. There is nobody that can say one good thing about this particular deal. The best the hon. Member for Calgary-Shaw can say is that it's almost over. That's the best he can say. But it isn't, and that's the other tragedy. Not only is this deal not over, but the obligations that we undertook in 1992 – to clean up all of the environmental hazard, now to provide insurance if the company can't get insurance, and also to be responsible for other potential losses, including the changing political climate, the changing structure of environmental control – all of these things do not auger well for the Legislative Assembly of Alberta.

It is always embarrassing when it is exposed that one of two parties to a transaction got badly mauled in the negotiations and the transaction itself. It is perhaps rationalizable when the individual was at a great disadvantage, but it is particularly unpardonable, Mr. Chairman, when the individual who got mauled in the transaction was theoretically the individual negotiating from a position of great strength. Unlike NovAtel, where there was a hope of profit, misplaced but still hopeful, this government embarked on a journey in the face of overwhelming constructive criticism against that journey, embarked on a great journey of loss, and that journey of loss has cost the taxpayers nearly a half a billion dollars.

As the newspaper columnist said of the hon. Member for Calgary-Shaw's attempts to apologize, the apology is just not good enough. Those people who were responsible for this transaction must at some point stand up and acknowledge their responsibility and take responsibility. That is what government is all about. That is the prerogative, the imperial prerogative that has existed since the democratic process began, that when you are responsible for a flub like this, you do the honourable thing: you at least take responsibility.

Thank you.

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

MR. PHAM: Thank you, Mr. Chairman. After the speech from the Member for Fort McMurray I feel obliged to respond, because he did point a finger at me across the floor and accuse me of all kinds of things, and I think that it is just a courtesy to point out to him why I shook my head and why I thought that his reasoning was really, really weird.

He started his argument by saying: why didn't the government invoke clause 1302 in 1992 to buy off Bovar and save \$100 million? Why didn't he ask one step further: why didn't the government choose not to do anything at all in 1979 and not spend any money on waste treatment at all? He could have asked that question, but he didn't. Then he went one step further. He said that the money could have been divided among each resident, each family in the town of Swan Hills, and each family could have \$1 million. But what happened to the PCBs? He forgot one important thing, that each family, when receiving \$1 million, will receive a ton of PCBs with it too. What are they going to do with it? Are they going to eat those PCBs? I don't think so.

Then he went one step further. He said that because now we are in this deal – and he asked every member of this House not to vote for the Bill presented in front of us. What he's asking is for the government to continue to stay in this deal. He has to make up his mind. Is he against it, or is he for it? If he's against it, then we have to get out of it ASAP. If he's for it, then we should stay in there. That's why I shook my head, because I don't know where the guy stands. Is he supporting the deal, or is he against the deal? I cannot make up my mind on that one.

Then further down the argument he said that because the government of the day, back then in 1992, continues now to mismanage the money, this issue has nothing to do with treating toxic waste; it has everything to do with mismanagement of the money. But he forgot to read the entire report of the Auditor, because right on page 11 the Auditor spelled out clearly that some people have characterized the Swan Hills facility as a business venture, and its financial results as losses. I believe this is unfortunate because from the earliest days, most serious observers viewed the facility as a government program that was delivered in conjunction with a private sector partner.

Indeed it should have been viewed as a government program, and the purpose of it was to clean up the environment of Alberta. If you look at that, every government program costs money. When you talk about education, when you talk about health care, every program costs money. We have spent \$40 million on education for the last 10 years, and I assume that some day in the future the members from the opposition side can stand up and say that we shouldn't have spent that money? I don't think so.

Now, the question that every member from the other side has to ask is to put themselves back in 1979. Given the fact that in Alberta there were many, many sites with PCBs, we had at that time no mechanism to dispose of these PCBs. The question, then, is: what would the government do at that time? Looking back now, it is a lot easier to criticize and say: you should have done this; you should have done that. The reality is that nobody knew at that time. All we knew at that time was that Albertans were very, very clear in the message they sent to government: do whatever you can to get rid of the PCBs; do whatever you can to protect the environment for our children and for ourselves. You cannot put a price tag on that, Mr. Chairman. If you have PCBs in your drinking water, even if you have \$10 million sitting in the bank, you cannot enjoy life the way you are enjoying it today.

I cannot believe that people tried to mix up the two issues, trying to say that because we spent X number of dollars on this plant, it was mismanagement, that it has nothing to do with toxic waste. I couldn't believe that the members of the opposition have gone as far as saying that we should have divided that money among the residents of the town and that each family would have got \$1 million. I couldn't believe that. That's why I shook my head. That's why I thought his reasoning is weird at best.

Finally, I offer the members of the opposition advice: stop living in the past. You have to look forward to the future, because that's where it is going to be. That's where the future of this province is going to be. Every time some member from the opposite side stood up and spoke about any issue at all, I bet that five minutes into the speech that person managed to travel back in time. They traveled so far back in time and on every, every issue. I urge the members from the opposition side to spend more time looking forward to the future.

When it comes to this program, we also have to look forward to the future as well. The Member for Fort McMurray in the last few sentences of his speech did say that we should look for other ways to get out of this deal and stop losing money on the plant and stop giving money to Bovar. My challenge to him is that if he can spend some time to research into it and if he can recommend another way to save money and still achieve the same results that the government is trying to do – that is, get a PCB-free province and also get out of the business of doing this thing and stop losing money today – we would be more than happy to listen. The problem is the guy doesn't offer any solutions at all, and that is where I think that the problem is in his argument. He could only criticize, but he doesn't come up with any good solutions.

Thank you, Mr. Chairman.

9:40

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

MR. DICKSON: Thanks very much, Mr. Chairman. This has been a tough day and a sad day for parliamentary democracy. We started off dealing with Bill 44 and Bill 46. We learned that the Government House Leader has a different view of parliamentary democracy than anybody who's ever written, considered, or spoken in favour of that important subject. We've discovered that there are many members in this Assembly that seem to think that regulatory lawmaking is exclusively an executive function, that the Legislature has little useful role here.

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

THE DEPUTY CHAIRMAN: Hon. member, a point of order.

Point of Order Relevance

MR. DAY: Standing Orders and *Beauchesne* are very clear. We're in Committee of the Whole. We need to be looking specifically at the very clear items of the actual things we're talking about, and here he's talking about Bill 44 and other Bills. If he would just bring to relevance his comments so we could move on and get the most efficient use of the taxpayers' money here tonight.

MR. DICKSON: On the point of order, Mr. Chairman. I would have thought that the Government House Leader, who I've observed has sat in the Chamber for most of the day, is certainly bright enough to be able to make the connection. But I'm happy to do it for him. One doesn't have to get past page 30 to see at least a dozen references to regulation and the fashion in which regulations are made in this province. [interjection] We're speaking about dollars that tie absolutely and completely, Calgary-Currie, into the Bovar fiasco. That's what the government is here seeking another \$135 million for.

AN HON. MEMBER: A hundred and forty-seven.

MR. DICKSON: A hundred and forty-seven million; I stand corrected. We've been presented with an independent and objective assessment of why we're in this pickle, why we're in this jam. Surely, Mr. Chairman, it is absolutely relevant to be able to explore why we're in the picture before we're asked to vote on the government's appropriation Bill.

THE DEPUTY CHAIRMAN: On the point of order certainly we've always been lenient when we talk in committee on anything, especially in supplementary supply. So although there is a point of order there, I sure know that the Member for Calgary-Buffalo will keep on the subject, which he, I'm sure, is going to do.

MR. DICKSON: Mr. Chairman, you bet, and if I'm afforded more than a couple of minutes without an interruption will try and tie it in a way that'll be clear even to the Government House Leader.

Debate Continued

MR. DICKSON: As I started off saying, we've seen a great deal of difficulty in recognizing in this Chamber the problems with secret regulatory lawmaking. Now what we see is another principle of Parliament at issue, and it's simply one of ministerial responsibility and cabinet responsibility. On the day that the Auditor General's annual report is produced and we sit here with this on every one of our desks, what we hear is the chairman of the corporation, the Member for Calgary-Shaw, attempting single-handedly to shoulder responsibility for the mistake and saying: we made a mistake; let's get on with it. Over here we have the Member for Calgary-Montrose saying: why are we focused backward; why are we looking at history; why can't we get on? Well, the short answer, I think, to both the Member for Calgary-Montrose and the Member for Calgary-Shaw is that the way most of us understand the system of government to operate is that when there is a colossal blunder, when there is a series of poor judgments, questionable judgements, either the cabinet as a collective or an individual minister, not a backbencher or a private member but a cabinet minister, stands up and accepts responsibility.

We've seen in the United Kingdom and other places and certainly at the federal level where ministers have tendered their resignation for far less than the overwhelming string of indictments that is contained in the Auditor General's report here dealing with this element of the Appropriation Bill, yet we have no minister stepping forward to resign. We have no government minister stepping forward and saying that the government screwed up; the government has committed a colossal blunder and, worse, a series of compounding blunders. All we have is the Member for Calgary-Shaw left to take the heat, if you will. He's the lightning rod. The government focuses on moving on, moving on: let's move past this. Well, we can't move on. We can't move on, because Albertans have no confidence that the gang that is the subject of the series of indictments in the Auditor General's report is capable of managing Alberta tax dollars any better in the future than they have in the past.

Now, I've told you my concerns with those principles in terms of regulation, and I'll come back to that later. I've told you my concern, Mr. Chairman, that we don't have a minister taking responsibility for what's gone wrong here. Then we have the

Member for Calgary-Montrose jumping up and accusing one of my colleagues of weird reasoning. You know what's interesting? He keeps going back to the original decision. He goes back to the 1987 joint venture agreement and seemingly misses the point that I think the Auditor General was at pains to make, and that is that this is not one single screwup. This isn't one single blunder. What happens is that we have a succession of errors, misjudgments, poor judgments, and one might argue at least gross negligence. We have something here that in terms of culpability, of ministers of the Crown, agents of the Crown, surely passes the threshold that we saw in Paddlegate, the Paddle River dam fiasco. In terms of the Member for Calgary-Montrose, who would have us simply acknowledge that the government in hindsight made a bad deal in 1987, what does he say about the successive bad judgments? What does he say about the Auditor General's recommendations that we had opportunities to cut and run? We had opportunities to take a loss but a heck of a lot smaller loss than the one Alberta taxpayers are ultimately burdened with. Why does he ignore those successive problems? That is all the more reason, I think, why members not only cannot support this appropriation, but I think we have to look for a degree of government accountability that we simply haven't seen in this entire debate since the commencement of the fall session.

9:50

The Member for Calgary-Montrose said that everyone was focused in 1987 on eliminating PCBs. Well, with respect, I don't think everyone was focused on that. This demonstrates the problem with government making regulations with a small group of people going into a room in the back, in secret, and deciding how they're going to spend Alberta tax dollars. What's the problem? You only get one point of view. Obviously, people who have a contrary perspective or point of view are either cowed or bullied or intimidated out of speaking their minds. So what we get is this succession of lousy business decisions made on behalf of Alberta taxpayers. It demonstrates more clearly than anything we were able to say this afternoon the problem with regulation only being made by government. If ever one wanted an illustration, an example of why it's important that there be all-party involvement in regulatory lawmaking, surely the series of indictments by the Auditor General in connection with the Swan Hills plant makes the case and makes it, I think, persuasively.

I would suggest to my colleague for Calgary-Montrose that it's absolutely incomprehensible to me – and it will be to my constituents and, I suspect, his as well – that we accept this \$147 million request from the Provincial Treasurer, pat him on the back, say that we understand: he's made a bad decision, but we're sure that all the other ones are going to be sounder. I don't think so.

What we've got here, it seems to me, is a serious error that was made in 1987 that was compounded by political interference and then aggravated further by lousy judgment. The error was the original participation in the 1987 joint venture agreement. The political interference was the decision at the instance of the then minister of environmental protection not to invoke section 1302. This was a decision by the then minister responsible for environmental protection to basically surrender the leverage. This wasn't leverage that the then minister had; it was leverage Albertans had. That minister was supposed to be speaking to the public interest. He was supposed to be protecting every Alberta taxpayer, and he didn't do it.

MR. GERMAIN: Failure to perform.

MR. DICKSON: It was a failure to perform.

So you have the original error to participate in 1987, compounded by the political interference by the then minister of environmental protection, aggravated by poor judgment. What's the poor judgment? Well, if you look at page 33 of the Auditor General's report, it says in the penultimate paragraph on page 33:

To embark on a major and costly expansion without a joint venture agreement which shared the risks and costs more equitably, was to further increase the Province's risk of incurring excessive costs.

So I say to the Member from Calgary-Montrose: read the Auditor General's recommendations, read his analysis, because it wasn't a single error in 1987. Because the errors continued to be compounded, and you have this escalating factor and this consequential additional loss to Alberta taxpayers, we've got to ensure that we stop it right now. We have an opportunity tonight in this vote on the appropriation to send a clear, singular, unambiguous message to the Provincial Treasurer in no other way that I think we can do as effectively.

Just coming back to the question of regulation, the Government House Leader seemed mystified at the reference to regulation before. You know, when I look at page 40 of the Auditor General's report and see the reference there to the waste control regulation, we see the exact problem that we were trying to raise this afternoon on the other Bills, on Bill 44 and Bill 46. You know, the Auditor General said at page 45, and I'm paraphrasing here: I'm satisfied that if the government decided to exempt oil field waste, construction of the major expansion would have been delayed. The decision in terms of oil field waste – how that was going to be disposed of and whether it was subject to the regulation or exempt from the regulation – now in retrospect has been a multihundred million dollar cost to Alberta taxpayers. That was a regulation. It was a regulation where we see stakeholders with an interest that may well have been adverse to the greater public interest. Unless we change, and change in a dramatic way, the way we enact regulatory authority, unless we change the way we deal with regulations, we have the risk that we will just keep on running into exactly the same kind of problem.

I don't know how other members can do it. I know I can't go back and tell the seniors in Murdoch Manor in the east village or Edwards Place or the Rebekah/Odd Fellows lodge in Calgary-Buffalo: "I'm sorry; the government has made a series of mistakes. They want another \$147 million, and because of that appropriation, because of that additional item there are going to be seniors that can't get home care when they need it. There's not going to be money available for the Calgary regional health authority when it's required." Mr. Chairman, I can't defend those things to my constituents, and I challenge any member in this Assembly on either side to go out and start telling his constituents, as the Member for Calgary-Montrose apparently is wont to do: "We made a mistake. The mistake was made in 1987, but we're just going to put it behind us and get on with life." It's not that easy.

Until we have a minister that accepts responsibility for the succession of blunders and foul-ups, unless we have a minister that comes forward and says, "There were serious and grievous mistakes here, and I accept responsibility for them," it seems to me that members in this Assembly are going to have to ask the questions. We're going to have to continue to probe, and we're going to have to push with even more zealotry to ensure that regulations and policy-making is done in an open context and not in secret.

So with those comments, Mr. Chairman, I'm happy to conclude my remarks.

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

MR. DALLA-LONGA: Thank you, Mr. Chairman. It is not with pleasure that I get up to speak on this particular appropriation, to speak against appropriating the funds, the additional \$147,500,000.

Mr. Chairman, I had no idea. As I read the Auditor General's report today, I could not believe what I was reading, and I still believe that the facts contained in here aren't all the facts. It's for that reason that I can't support this additional appropriation of funds. I think we have to get to the bottom of it. It is nonsense, absolute nonsense, to put it behind us and to say: "That was then. What happened then is fine. Let's let bygones be bygones, and let's get on with the future."

The intention of this plant was originally to treat waste, albeit we were going to boost some local economy. We were going to create some economic wealth within the province. We weren't going to send waste out of the province and then pay for it to be processed out of the province. But, Mr. Chairman, the number of dollars that we have spent on this plant is absolutely criminal. To finally have gotten an accounting at this late a stage . . . I don't know how the people involved can go back to the citizens of this province with all the platitudes that they have and all the good words that they have and say, "Sorry; we blew \$440 million." After they said: "Oh, NovAtel. That was the last of it. That's the last we heard of it." And, "It's only going to cost \$5 million to clean it up." Now we find out it's going to cost \$30 million. Now we find out we need another \$147 million to get out of this mess.

10:00

I don't understand, Mr. Chairman, if we feel that we have to take waste from the other provinces to make this thing viable, why we didn't let them share in the \$440 million fund, why we didn't let them split it. Why were we so stupid to pick up the cost for disposing of our wastes, many of which we could have disposed of, paid someone else a good dollar and had it done and gotten rid of it right there and then?

Mr. Chairman, I'm not convinced that \$147 million is the end of it. We're just getting let down easy. We're just getting let down one dollar at a time or a million at a time or a hundred million at a time, but it isn't over. I'm not even convinced, the way we do our accounting in this province, that we've even got the right numbers to date, although I applaud the Auditor General, who I know personally to be very sincere in his job. I applaud him for a report that's finally appearing to get down to the bottom of this, that finally gives me some of the answers when I get asked by people in my constituency, when I get asked by people where I used to work, downtown Calgary, "What is going on with this Swan Hills plant?" Finally we've got some answers that we can put together in a piece.

The Auditor General's report almost reads like a novel: a horror story. In 1982 the government sent out for requests for proposals. The intentions were honourable. The intentions were good: we were going to get rid of some of our waste; we were going to have our own industry; we were going to try to diversify. But, Mr. Chairman, we're not talking here about a single mistake. We're talking about a mistake after another mistake and then

something else to cover up for that mistake and continually trying to cover up for the past.

The Member for Calgary-Montrose says: well, don't worry about the past; let's get on with the future. I say no; we stop right now and we examine what's happened, because what's happened in the past is precisely the problem. We don't want to have this happen in the future. We heard all these exact same arguments on NovAtel, the exact same arguments on Gainers, MagCan. I can't even remember the list.

Yes, they're holding their heads down low . . .

MR. GERMAIN: Or laughing.

MR. DALLA-LONGA: Or laughing.

. . . but I'll tell you, Mr. Chairman, I have a hard time telling that secretary that gets up at 8 o'clock in the morning, a single mother going to work, paying taxes, that she can't have certain benefits, that she can't have 400 hours for her child in early childhood education, but we blow \$440 million on this God-forsaken plant. I don't know how I tell that small business owner who took risks – maybe he's finally making a dollar and has to pay taxes. He sees those taxes going out of his pocket, out of his business, into this boondoggle, and somebody says: "Oh, that's the past. Let's forget about it. Let's let bygones . . ." That's too easy. We can't do that. Absolutely not.

I don't care, Mr. Chairman, if we have to hold this session up till January. We're going to get to the bottom of this. You know, they laugh over there. They laugh. It's funny. The fact is, Mr. Chairman, that we've had too much of this going on; we've had too much of this indiscretion. A mistake is fine. You know, my colleagues talk about wanting someone to stand up and take responsibility for that, take responsibility for this mess. Well, first of all, there's no single individual here that I can see that's responsible for all of this. Secondly, based on past track record I've got to say: give me a break; do you think anyone's going to stand up and admit that they blew \$440 million?

You know, the comment was made that we exempt. My colleague from Fort McMurray says he exempts members that were elected in 1993, the last election, from this mistake. I'll tell you, Mr. Chairman, if they continue on with this, they're just as guilty, just as responsible for this expenditure, this gross mismanagement of funds, as the people who were here when the primary decisions were made. As a matter of fact, there were a couple of key decisions made after the last election which would lead me to believe that they're responsible in any event.

Mr. Chairman, this is precisely one of the reasons that we need to enforce our Public Accounts Committee. We need to make that committee have more teeth and other such similar committees be able to get to the bottom of these decisions. How long do you think it would have taken the general public, the taxpayers of this province, the people in rural Alberta, the people in urban Alberta to say enough is enough? How long do you think it would have been before they would have said stop? I think they would have said it a lot sooner than this government is saying now. I think they would have said it possibly back at that expansion.

Speaking of that expansion, there's a prime example of where we went into something that we had no idea we were getting ourselves into. We thought this plant was going to have a requirement for additional capacity. The Auditor General's report says that nobody really knew on what basis. There was no legislation in place requiring the oil fields to take their oil field waste to this plant. As a matter of fact, Mr. Chairman – I don't

know how many members of this Assembly know this – a lot of oil field companies do take their oil field waste to a disposal plant, but it isn't to the one up in Swan Hills. It's to some in the States; it's to one in Idaho, because it's cheaper. The trucking costs alone blow your brains out.

AN HON. MEMBER: Different waste.

MR. DALLA-LONGA: I hear "different waste." What kind of waste would be different? Why is it constantly mentioned in this report that the oil field waste was critical to the success of this plant? Different waste. Give me a break.

Let's go back a little bit. We get into a deal with a company that financially has got a problem. Then we give them a loan. Here's a company that we're not sure whether they're going to be alive, so this deal is going to save their bacon. Then we get in and we give them prime plus 4 and upwards – I figure it was prime plus 4 guaranteed – in times of high interest rates, upwards of 31 percent return on their loan, which is a guaranteed rate of return. On top of it, Mr. Chairman, we guarantee the loan. I have never ever heard of such a stupid deal. Unbelievable. The Auditor General's report does a marvelous job of condensing this down to how stupid a deal this was. We give them a guaranteed rate of return, and this guaranteed return, incidentally, is higher than their cost of capital. Now, for those entrepreneurs over there, for those free-spirited capitalists, we give them a rate of return that is higher than what it's going to cost them to borrow that money, and we guarantee the risk on those borrowings. I can't believe it. I wish I could do deals like that all day long.

Yup; just read your memos; just don't even pay attention. That was all behind us. Yup; the next deal's down the road. Go and ask the taxpayer for it. Well, I'll tell you, I can't believe the stupidity in this deal. I mean, I never got into the NovAtel thing. I heard stories and stuff, but if it was as bad as this thing, I just can't believe it. But it was different waste. Oh yeah, it's absolutely different waste. They should have been taking the waste that you find in a barnyard. I mean, it's absolutely unbelievable that this government . . .

10:10

You know, the thing is, Mr. Chairman, that we reward these people. I looked in here and I'm following this time line of who was the minister of the environment, and one of the key decisions was made in March of 1986 by the then environment minister, who as I recall is now collecting a pension of \$72,000 a year – \$72,000 a year – for the rest of his life. We say: "Thank you, Mr. Minister, for making one of the worst decisions this province has ever made. You did a good job. Here's how we're going to repay you." The minister of the environment back in March of '86, the predecessor of the Member for Pincher Creek-Macleod – you should be proud to follow such a stalwart, exemplary individual in the fine art of negotiating.

MR. N. TAYLOR: He just did what the Tory party told him to do.

MR. DALLA-LONGA: Yeah.

So the Member for Calgary-Montrose says: we don't offer any solutions. Let's just spend this \$147 million. This is a solution. Let's spend the \$147 million and press on. That's a solution. We think that's the end of it, just like we thought it was the end of it in '86, '92, '93.

Mr. Chairman, I don't expect anyone to step forward and take responsibility. They probably wouldn't be able to walk in this province anymore. I mean, do any of them realize the magnitude of what has happened here? Do any of them realize how many people have to get up in the morning and go to work to pay the taxes that we blew our brains out here on? They talk about the tax-and-spend Liberals. This is just absolutely unbelievable, the amount of money that we've spent. We've finally gotten an inkling of where it's gone to, and now the arguments are: well, you're not offering any solutions; that was yesterday and this is today; or even as we heard in question period today, 99.99999 percent of the waste was properly treated to higher standards. Well, I don't care if it was 100 percent. I know my constituents don't care if it was 100 percent. I don't care if it was 70,000 tonnes or 80,000 tonnes. We have no idea of whether we could have done this in a different way. The Auditor General thinks we could have done it in a different way, but it seems in this place, this little pit, we couldn't have done it any better. That was yesterday and let's just continue on.

Well, Mr. Chairman, I don't care. You can find me out of order; you can do whatever you want. But I know when I go back to Calgary-West . . .

MR. GERMAIN: And to Pincher Creek.

MR. DALLA-LONGA: . . . or if I go to Pincher Creek . . .

MR. GERMAIN: Or to Calgary-Shaw.

MR. DALLA-LONGA: . . . or to Calgary-Shaw, home of the great apologist himself, they are not going to be happy with this.

Mr. Chairman, here's another example: the cost of the expansion was roughly 75 percent over budget. Did anyone stop to think: okay, we did the economics on the basis of \$60 million, and it looks like we're coming in at around \$100 million; maybe our economics are no longer going to be on point? Did anyone ever stop to think about what could happen to your economics, your rate of return, all that sort of good stuff? No. What was happening was: let's just pay it and cover it up. If we follow what the Member for Calgary-Montrose says: that was yesterday; what solutions do you have? Well, I'll tell you. I don't have the solutions because I don't have all the information yet. But we're going to try to get the information. Then we might have some solutions, because I'll tell you, it ain't going to be hard to beat this. This ain't going to be hard to beat. This'll be a cakewalk on a rainy day on a Sunday afternoon. So when the Member for Cypress-Medicine Hat wants a highway built down in Forty Mile, just say: "Well, no. Sorry. We can't build it. We blew it all on the Swan Hills plant. It's all gone. But don't worry; we've got some solutions."

Mr. Chairman, you read – they've got government negotiators. I'd go back and ask for the fees from these government negotiators. I'd say, "You didn't know what the heck you were doing." I'd say, "I want my money back." There's a solution. Get your money back off those negotiators. How's that for starters; okay? I was in CA firms. When we screwed up, we'd have to pay. We'd go to our insurance policy. Why don't you go back to them? Why don't you stop being a bottomless pit? Now that I know who negotiated these great deals, I'm offering you a solution. Go get some of that money back; go back to those guys. I don't know who they are yet. There's an engineering company

in here who'll remain nameless. I'm not going to name any names, no.

MR. GERMAIN: It's in the report.

MR. DALLA-LONGA: Yes, it's in the report. It's on page . . . Go back and get some money off that guy. I don't know how many there were involved in there. I don't care if he writes me a letter or phones me up and says, "What the heck were you doing maligning me?"

Mr. Chairman, this is absolutely ridiculous. I mean: we keep going on and on, but we don't have any solutions. Well, how's that for a solution? There's some money. We can get some money back there.

I'll tell you another thing. The plant's built. It's up and running. We've got some agreements. Let's just say that we're not going to pay it.

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

MR. SEKULIC: Thank you, Mr. Chairman. I rise to speak to Bill 45, the Appropriation (Supplementary Supply) Act, 1995 (No. 2). In particular I do want to address, like many of my colleagues, the environmental protection component, the operating expenditure of \$147.5 million.

Mr. Chairman, I wasn't originally planning to rise to my feet and speak at this point. However, after hearing the Member for Calgary-Montrose, I was compelled to my feet. When I think of some of the numbers that I've been exposed to, that the cost of disposing of wastes is 300 percent higher in Alberta despite the wonderful technology what we have in the plant and that 80 percent of the hazardous wastes generated in Alberta are exported across the southern borders, I have some problems with the arguments that have been put forward, particularly when today we're voting on the final, hopefully the final, bills that were sent to the taxpayer, this one close to \$150 million.

The argument that Calgary-Montrose put forward was: it's in the past; it's behind us; don't look backwards; look forward. Mr. Chairman, with all due respect, it's like going to your banker and your banker saying: "You don't need to know how we lost your money," or "You don't need to know who was responsible for losing your money. All you need to know is that we lost your money. It's gone. It's in the past. It's behind us. But, you know, look on the bright side. You no longer have any investment concerns. You're stress free. Aren't you lucky?" That's exactly the description I picked up as the Member for Calgary-Montrose was speaking. Then as you're leaving the office, that banker of yours, hopefully one that you won't decide to stay with, says: "Don't look back. That'd be a waste of time. Look into the future. Look into the future," expecting you to leave his or her office smiling and whistling and skipping as you go. You have no reason to be upset; you should be smiling as you skip out. Well, maybe that's the approach Calgary-Montrose is bringing on behalf of his constituents, but I want answers on behalf of my constituents. I want to know that there was a lesson learned, and I want to know what that lesson is. It's not as simple as: we lost half a billion dollars; we lost \$500 million.

10:20

That's not the only lesson here, because clearly this loss or this series of losses is tied to this government, not Conservative governments of the past or a federal government in Ottawa. This

loss is clearly tied to this Conservative government and its two predecessors. Most importantly, I think it's tied to and has been spread over three different Premiers, the current of whom played not just a role but I think a dominant part of this \$500 million in losses, and now Albertans are suffering the consequences of those losses. When we're trying to explain that yes, we do have to cut back, yes, we did have too much capacity in a number of different program areas in government, well, it's not just the overcapacity we're dealing with, Mr. Chairman. We're trying to catch up on the debt that was created by bad business boondoggles like these.

Now, the Auditor General's report which was released this afternoon was an interesting insight. I found that the Auditor General's ability to access more info and more detail perhaps took us further than we had been at any point in terms of insight. I think the Auditor being a third party and objective has clearly pointed blame as it should be in this case, blame on certain parties, our Premier being one of the parties receiving the blame. Without question his report is a scathing indictment, but that's without the benefit of all the information. Even the Auditor says, with the information he had, which is more information than anyone in the opposition, in this Assembly has ever had, or any other party outside of government caucus has ever had – he delivers a scathing indictment. Like I said, despite that scathing indictment, despite the access to information he had that no other party had, there are still questions that the Auditor General found pertinent to giving a full explanation to Albertans on this deal, and he did not get answers to those questions.

Mr. Chairman, I think it's appropriate as a responsible opposition that we look for answers to those questions. I think there are perhaps solutions to be found, solutions for the Member for Calgary-Montrose. [interjection] Exactly. I think there's a smoking gun somewhere.

MR. DICKSON: A smoking howitzer.

MR. SEKULIC: A smoking howitzer, you're right. You're right, Calgary-Buffalo. It is a smoking howitzer, and we need to have a description and a series of answers to the series of questions that the Auditor put before the committee during his investigations.

Mr. Chairman, government must be brought to bear and share some of the consequences of their actions, and we hear all too often the minister of social services speak of rights and responsibilities and how they're tied closely together. Well, the right that brings us here to hold power on behalf of constituents is the right of the electorate, and the responsibility that they send us here with is the responsibility to act responsibly in representing them on matters which are legislatively related, in creating laws or in expending moneys on their behalf to deliver programs that will provide services to them.

I think that the Member for Calgary-West made a great point. Another positive solution that we can look to is get some of that money back. You had advisers. You had consultants. Surely someone's liable, and surely it's not the taxpayers of Alberta. Because in the past 15, 20 years of living here I can't remember one referendum question about: can we spend \$500 million and give it to some folks to dispose of some wastes, the majority of which are being shipped over the southern borders?

With those few comments, Mr. Chairman, I think that if the government wants solutions, wants positive solutions, they have to provide information, and that's what each of the members on this side is asking for. It's information. It's answers to questions: the questions which weren't answered for the taxpayer,

which weren't answered for the Auditor General, and the questions which weren't answered for this opposition. It's time to come forward with those answers now.

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

MR. CHADI: Thank you very much, Mr. Chairman. The supplementary estimates that we are debating here tonight for the most part are clean cut, straightforward, and I can support, particularly when it comes to Transportation and Utilities, where we're asking for \$11 million thereabouts for flood relief and for areas such as the forest fires.

[Mr. Tannas in the Chair]

We heard the Member for Medicine Hat speak about the southern Alberta disaster so eloquently on behalf of his constituents, and he spoke, in fact, that this amount that we are allocating in the supplementary estimates is just a drop in the bucket compared to the disaster that happened in southern Alberta. I take his word for it. I was not able to travel the south to see just how widespread that disaster was, but I've heard news reports, and I've heard members in this Assembly talk about it. I expect and understand that it is truly a disaster and worthy of all Albertans coming together and ensuring that we can provide some sort of relief.

10:30

With respect to the vote on operating expenditures in Health, we are asking for \$35 million there. Once again I don't seem to have a problem with that, with the exception, of course, Mr. Chairman, that when the Minister of Health first spoke about the supplementary amount, the minister did mention – and I quote from *Hansard* – that “about 90 percent of the expenditure is in the drug program and drug benefits, and about 5 percent is in the ambulance side.” Well that's 95 percent, and I'm wondering why only 95 percent was mentioned. Where was the 5 percent more? Five percent of \$35 million amounts to about a million dollars, Mr. Chairman, and I'd like to know what that other 5 percent, or the \$1 million dollars, is allocated to.

Another thing that the minister made mention of that I do want to speak about here in Committee of the Whole is with respect to the fact that these dollars are not new dollars and they're being allocated from other areas. Well, you know, I have one response to the minister, and that is: I'm always mindful of this law, and it said that for every action there's always an equal and opposite reaction. So if we're taking \$35 million out of somewhere, what is it that's going to hurt? Where are we taking it from, and what sort of repercussions are going to come from that?

The last part of the supplementary estimates referred to Environmental Protection, and this area I really truly have grave concerns about. I, like my colleagues, have grave concerns that need to be answered. We're grateful that the Auditor General's report was introduced today. We're grateful for the opportunity to be able to review it, although on short notice. The very first part of the Auditor General's report, Mr. Chairman, talks about the Swan Hills special waste treatment facility. Why the very first part? Because this is probably one of the grossest deals that the Alberta government has ever, ever been party to in the history of our province. Even the NovAtel disaster, in my opinion, even though we didn't understand a lot about the deal itself, could not be as gross as this one was. It couldn't possibly be. I look at

what the Auditor General refers to in his comments on page 11. It says, “In my view, however, these benefits could have been achieved for less cost.” Now, Mr. Chairman, he's not talking about the benefits in the context of this deal, the benefits of reducing or eliminating toxic waste in our province; he's saying here that the deal itself was gross. Then he talks about the costs of eliminating toxic waste in our province, how it could have been delivered a lot cheaper than what happened here and how much we paid for with this arrangement we have with Bovar.

There's no question that we gained something from this. There's no question that we perhaps are PCB free in this province. But you know, Mr. Chairman, other provinces are as well, and they don't have the expense that we incurred here in Alberta. Most provinces ship their toxic wastes south of the border to the United States. We heard Calgary-West talk about the plant in Idaho that will do exactly what this plant here will do. There was no reason to spend the funds that we expended here in Alberta.

I listened to the different members in this Assembly speak about the gross negligence on behalf of the people that negotiated this transaction. Calgary-West is not wrong when he says: go after these guys. Let's find out who it is. Let's find out who's negligent. Let's go after them. Let's see if we can't get something else.

I can recall, as a matter of fact, Mr. Chairman, when there was an outcry in the province of Alberta over NovAtel. I was sitting in my 15th floor office tower in Scotia Place listening to the radio. The then minister, even though she was not responsible for the NovAtel fiasco, had to resign. Yet nobody here takes any responsibility for this. Oh, heck, no. Nobody had to resign. Nobody is even standing up to say, “It was my fault,” or “I had anything to do with it.” The Auditor General talks about it. In his report on page 16 he says:

In my view, the cost of the government's financial involvement in the Swan Hills special waste treatment facility would have been less but for the following two strategic mistakes.

One of those strategic mistakes, Mr. Chairman, is: the decision to proceed with a major expansion of the Swan Hills facility in 1992.

Well, Mr. Chairman, there are many, many in this Assembly that were party to that 1992 agreement, yet nobody is taking that responsibility. The minister of the environment, the now Premier, inked the deal, yet no responsibility is taken, none whatsoever.

When we look at the expenses from 1992 on, they amount to the tune of approximately \$80 million just in total operating deficit which the province had to assume; that is, in four years' running we assumed a liability of \$80 million just for the total operating deficit. To hear something else – this is the grossest part: we guaranteed Bovar's return for those four years somewhere in the amount of \$30 million, for a total of \$110 million in the last four years paid out. That's just in total operating deficit and Bovar's guaranteed return.

When this Bill was first introduced and we spoke to it in second reading, I was prepared to stand up and speak in favour of getting this deal over with. Let's pay the money, the 147 and a half million dollars. Why, Mr. Chairman? The government sent out a news release, and they said that there was a fairness review, and it said that the Bovar deal was good for Albertans. The government was doing nothing more than trying to cover themselves in any way they could. Let's get an independent; let's get somebody from the outside to suggest that it is a good deal. Let's tell Albertans: “Hey, this is a good deal.” This is 147 and a half million dollars that we're paying a corporation to take over the plant. I happen to think that not only that; they're going to use

that \$147,500,000 to take out the Vencap deal. How sweet it is that they acquire Vencap and then acquire the Swan Hills waste treatment facility for nothing. This is an unbelievable deal they're ending up with.

MR. DALLA-LONGA: It's suddenly become profitable.

MR. CHADI: Yeah. This is unreal. We've got a situation now where we're going to give up our \$200 million that's going to mature in the year 2003. That's exactly what I think is going to happen. Bovar is going to step in and take that deal. How do we know that the backroom deals aren't cooked up already, that that's in fact what was going to happen, that they'll end up with that \$200 million by the year 2003?

In any event, I was going to approve it because based on the information that was provided to us, it seemed like it was our only way out. Now that I see the Auditor General's report, I could not in good conscience support this. I refuse to support it. I would encourage everyone in this Assembly not to support this. Let's go back to the bargaining table. Let's go back now to the bargaining table.

DR. L. TAYLOR: Back to the past, Sine.

MR. CHADI: Let's say no to Bovar. For once, let's say no to Bovar, Cypress-Medicine Hat. Once. They've got everything they possibly could get any time they ever wanted it. Let's say no this time. Let's go to court. Let's find out.

In the Auditor General's report it talks about gross negligence. It talks about how the corporation could have gotten out of the deal. It talks about how we can still get out of the deal. I'm not so certain that 147 and a half million dollars is the right way to go, given the fact that we still have the environmental liability to contend with, as is suggested in phase 2. It talks about excluding insurance indemnities and site reclamation responsibilities. We don't know exactly what the insurance indemnities are going to amount to. The Auditor General talks about the site reclamation responsibility, and he suggests perhaps somewhere in the range of about \$35 million, even though it could amount to somewhere in the range of \$57 million. So we're not talking about \$440 million, as the Auditor General's report indicates. We are now talking somewhere in the range of approximately \$500 million and counting. So, please, nobody say that this is \$440 million anymore, because it isn't a \$440 million disaster. It is \$500 million and counting.

Mr. Chairman, based on the comments I've just made and the reason that I cannot support the supplementary estimates in their present form, I would like to introduce an amendment at this stage.

THE CHAIRMAN: The Chair would indicate that the requisite signatures are on the amendment that the hon. Member for Edmonton-Roper is proposing.

MR. CHADI: I'll just wait a few moments, Mr. Chairman, if you'd like, and we'll allow the circulation to take place.

THE CHAIRMAN: The hon. Member for Edmonton-Roper is invited to continue then.

MR. CHADI: Thank you, Mr. Chairman. The amendment that I'm proposing is that all members of this Assembly agree that we move that Bill 45 be amended in section 1 by striking out the amount of "\$193,925,000" and substituting "\$46,425,001" and in

the schedule by striking out "\$147,500,000" and substituting "\$1".

Mr. Chairman, the reason for this amendment is that I don't believe we ought to proceed with this deal. If we can get out of this deal, let us do it now. If we can't, then we should all put our heads down now in shame, because we've done a disservice to the people of Alberta, including members on this side of the House. If we are guilty of anything, we're going to take part of that blame. But give us the information so that we can make a reasoned decision.

10:40

We cannot accept any longer, Mr. Chairman, the fact that we receive our information after the deal is already done. They're always giving us the information when the deal is inked. Well, I understand, according to the Auditor General's report, that this deal is not inked. He says in his report that there are still negotiations taking place. Even if there aren't, let's assume that the deal is inked. I'm certain there are ways that we can get out of this deal. Let us all put our heads together now and come up with a reasoned solution to this. A hundred and forty-seven and a half million dollars is not the answer. Plus another 50-some million dollars for the environmental liability and the insurance requirements that we've got to deal with yet – we're talking \$200 million more; we're not talking only \$147 million. What I'm saying is that we're still not sure that it'll end there.

MR. GERMAIN: It isn't going to end there. We know it isn't.

MR. CHADI: Fort-McMurray says it won't end there, and I agree. It most likely will not.

I cannot in good conscience now in this Legislative Assembly, Mr. Chairman, accept what Bovar is offering us. They're saying, "Give us 147 and a half million dollars, and we'll let you out." I'm done dealing like that. According to the Auditor General's report, these guys came out of nowhere and it took them four years to work out a deal like this. This is absolutely incredible, four years. In four years you mean the government couldn't find a better deal than the one that they gave these guys? Well, I'm tired of giving them a deal. The deal ends here. Let's stop it now.

We've got an opportunity, every one of you guys, including Calgary-McCall. I haven't heard you speak yet, sir, but I hope that soon you'll be able to rise in this Assembly and speak to this Bill, because this concerns your constituents too. A hundred and forty-seven and a half million and counting.

For that reason, Mr. Chairman, I will not support this Bill, and I would hope that all members in this Assembly support this amendment. Thank you.

MR. WHITE: In speaking to the amendment, Mr. Chairman, and not speaking to any other parts of the Bill, because I know you would not like me to do so and because this member accepts the other parts of the Bill.

If you take the position, as many have here and on the other side, that this is a financial deal only, then you are mistaken, in my view. Coming from a technical background, look at what we're dealing with here. We're dealing with the hazardous waste of this province, and the true hazards are that side of the House negotiating such a deal on something that they know absolutely nothing about. Being carried on this tide of sweetness and well-being for the province in taking care of environmental waste is absolute folly.

If you deal with the fundamental objective of the special waste management system joint venture agreement, it deals with providing sound environmental and economical disposal of designated special wastes. Well, the sound environment is a judgment, and what has this government come to in conclusion? It's a judgment call. It's not black or white, which is the way they'd like it. It's a myriad of gray. Well, any science will tell you that this cannot be. You cannot just arbitrarily say, "This is good, and this is bad." If you're dealing with hazardous waste, to some people eating peanuts is hazardous waste. That's beyond any reasonable limit to protect society from, but starting in 1989 science told this government: don't do this. Don't declare every single substance beyond this limit as hazardous waste now and forevermore. That was what was done.

The Premier points out so proudly that 99.999999 – six of them – percent, which is beyond any reasonable science, is the right way to do it. This is economically sound and environmentally sound? Absolutely not. This is taking it to the nth degree, which is absolutely ludicrous. Here we are dealing with a member of this Legislature back in 1992, who at the peak of the environmental rise of emotion – not science but emotion – decides that, yes, this is the right thing to do, the fundamental error, including this plant for expansion based on a regulation, a moving regulation as to what is hazardous and what is not hazardous, and decides whether the plant is economical or not.

10:50

If you check page 21 of the Auditor General's report and read that little section there, you'll understand the folly in supporting a plant expansion based on a hundred percent of the hazardous waste that's collected. Then you look at the regulation that declares that hazardous waste as being collectible and having to be disposed of in the manner which is prescribed under regulation. So any plant can in fact be economical. Unlike what this government says – getting out of the business of being in business – this forced the government into being in business, because you simply could not find any private-sector operator in their right mind to take on any project like this, as they found out.

Then you have the situation of saying that now you've created a business in one province that cannot be sustained anywhere else in North America because it simply is uneconomical. Then you apply the regulation to it, but you only half apply the regulation to it, because you don't declare the regulations at all. You predicate a decision on an expansion of a plant based on those regulations. Then right after you've declared the plant expansion, after you've already guaranteed to supply the money to a third party, then you do away with the regulation because of some pressure from the oil patch. I mean, this is absolutely ludicrous. Not only have you environmentally got your thumb in the wrong place, but the economics of it are so, so, so compromised that there isn't any way of getting out of the business at that point without losing a lot of money. At that point you could have and saved a whole lot of money, but no, we didn't.

The magnitude of the plant was totally and completely based on regulation. Anybody that didn't think that at the time had to believe in tooth fairies. The magnitude of the plant was predicated on a regulation and/or importation of waste regulation from other provinces, and this government bought in to subsidizing other provinces, clearly.

What can happen now is the worst of all worlds. Pass this piece of legislation, and the green light is now given to buy your way out of this plant. As soon as that occurs, a regulation could be changed, as it was proposed in '92 and as it has been proposed

since, for the inclusion of general oil field waste and special oil field waste in the regulation, which would then in turn make this plant profitable, after we've disposed of it.

Now, I haven't the breadth of knowledge in hazardous waste nor would I expect anyone in this House to decide whether in fact this oil field waste is hazardous to the extent that it must be dealt with in the manner prescribed in the current regulations or in the proposed regulations so as to have to mass burn and to high-temperature burn some of these chemicals. But if that regulation does come into effect, here we are giving these funds, just totally frittering them away, giving them away to a third party, which presumably has some friends in some places. The oil patch could have been the net recipient in this instance of a bad regulation, and for what reason? For none whatever. The whole plant is based on the premise that the hazardous waste must be a hundred percent destroyed, and the moving line of regulation is not fixed and has changed many times, mostly in the United States, where the science of the environment is regulated and is actually researched. We are still trying to catch up just with money and money alone.

[Mr. Clegg in the Chair]

Mr. Chairman, the facts are that at the outset of this project there was an error, and it's been a series of errors since that time to this day. We have yet to point the finger at any one individual, except that at page 47 in the report it points out that the Hon. Ralph Klein from April 1989 to October 1992 was the minister of the environment. That's the only place the finger can be pointed and is rightfully pointed there.

I don't believe for a moment that we, the citizens of Alberta, can get out of this deal totally unscathed, but now is the time to try. This amendment does just that, Mr. Chairman. It gets us out of a deal that we should not have been in in the first place. If this government honestly believes, as it says it has done since June of 1993, in getting out of the business of being in business, then that was the time to do it and to not renew this agreement at that point. I believe there's an opportunity here, and with the help of this Legislative Assembly to approve this amendment, it can and shall be done.

THE DEPUTY CHAIRMAN: The hon. Member for Redwater.

MR. N. TAYLOR: Thank you, Mr. Chairman. Attacking the Bovar or the Swan Hills budget and addressing this amendment certainly leaves any person with a good many targets. It's hard in the limited time available – I gather it's around 40 or 45 minutes – to cover the issue adequately, because it's a long and tortuous procedure that has gone on between the government and the people involved in building the plant. Over there, the members on the other side, including the chairman of the local bluetongue brigade from down south, are always fond of reminding us that the public speaks, that the public knows what it's doing because after all it has elected Tory governments the last couple of times around.

So I picked up something here today that's public. There's a column in the *Calgary Herald* in October written by Paul Drohan. Four people have written in to the *Calgary Herald*, and we see what they say about the Bovar deal. Probably they express it as well as anybody in the House, but this is the public that the government on the other side relies so much on. One quotation from a gentleman by the name of Michael Roth:

The half billion dollars squandered on the Swan Hills plant is simply another example in the long tradition of failed Tory business plans. One would have to be incredibly naive to expect the Klein government's business plans for health, education and social services to break this pattern of failure and ineptness.

Another letter, again in the *Calgary Herald*, which is not famous as being a hotbed of Liberal candidates or a hotbed of Liberal ideas, by Charles Marshall:

Klein saying the half-billion loss on Swan Hills was money well spent shows his qualifications as a businessman. Klein missed his calling – he would have been better placed cleaning out barns down at the Stampede grounds.

The third item, also on the same page in the *Calgary Herald*:

I don't think the half billion is over yet. We don't have everything in. I don't know how we can keep pouring money into that when we are closing hospitals and cutting back on seniors. It is just unconscionable. The premier just seems to go merrily on his way, spending, spending and spending. I am very disappointed.

That was by a gentleman by the name of Walter Kiceluk.

Another short one, from Mr. Stoddart that wrote in, Mr. Chairman: "It seems that we had all the cutbacks on seniors, education and health to pay for this."

The last quotation – and this is from the public. This is from Calgary, the last time I looked not a hotbed of liberalism by any means. These are just people like little puppies that have finally opened their eyes and are going to see what is going on in this great world about them. The final one, by the name of Mr. Seamans. Mr. Seamans, a name that rings a bell. I mean, after all, Mr. Seaman is as famous to the Tory Party as Edison is to the electrical light bulb. But this isn't the same Seamans, I'm sure, not the same one that gets grazing leases, Bovar agreements, anything else. This is another one; it has to be. Probably he will be cast into the utter darkness to the sound of the gnashing of teeth as he gets cut off on the moneys that may be flowing from that firm.

Anyhow, here it is.

So the Klein government blows another \$500 million and thinks an apology to the taxpayer will suffice. Meanwhile, the people of Alberta continue to suffer because of education, health and seniors cuts. So much for the Alberta Advantage. This is undoubtedly the second worst government in Alberta history, but only because they were preceded by the Getty government.

Now, Mr. Chairman, those are all quotes from that hotbed of conservatism, the city of Calgary. They probably express better than any of the rest of us could just what is thought of the government's ability to negotiate business deals.

I'm going to go on and talk about a couple of other things that bother me about this whole debate. Even the Auditor General seems to have been sucked in with the idea that somehow or another it was necessary for Alberta, with – what? – 10 percent, 12 percent of the population of Canada. Somehow or another spanning that whole north part of North America from the Atlantic to the Pacific, we had to have a hazardous waste plant. How do you think the other provinces have been able to survive all these years since Confederation? But somehow or another a shaft of clouds parted, a shaft of light came through, and a big, booming voice came out of the heavens and said: Alberta, you must have a hazardous waste plant; you must have one.

So we proceeded with a hazardous waste plant. I notice, Mr. Chairman, that the other provinces don't seem to have any problem, any worry. What was the whole point of why we should have a hazardous waste plant? The Premier is fond of saying that we have disposed of our PCBs. Well, the last time I looked – and you don't have to be a great technician – PCBs are

an insulating factor in electrical transformers and other types of electrical goods. Is he trying to imply that Alberta was the only province in the dominion that had electricity? Why should we suddenly become a necessary spot to have PCB disposal? It's amazing.

Anyhow, the call went out. Out of the 10 provinces in Confederation somehow or other the Lord had said: you must have a hazardous waste plant. I notice by the Auditor General that they contacted about some 17 people. Then they ended up with a firm called Chem-Security. Chem-Security had its problems. Apparently its main recommendation was that it knew somebody in Europe that knew how to build a plant. It says here that although they did not have the ability and the experience of building a plant, they were allied with and tied in with some European companies. Well, that's interesting. That might have been very important to have some European friends to get it. Anyhow, Chem-Security sort of wandered along, couldn't make a deal. As a matter of fact, in 1982 the government found that a U.S. corporation with an alleged history of regulatory violations was one of the owners, and that upset them.

11:00

It would be very interesting – and I hope that possibly in this freedom of information Act the Member for Calgary-Buffalo will maybe go in to search and find out what letters took place to leave Chem-Security in the business of building this plant and at the same time get rid of the share ownership. The share ownership was changed from these rather unpalatable Americans, from what the Auditor General says, to a company called BVRS. Well, to the uninitiated, BVRS stands for Bow Valley Resources, at that time controlled by the Seaman boys in Calgary. Lo, lo, you might say. Hark, the heavens divide and suddenly we reached an agreement. A family that now is noted for being one of the great financiers of the Tory party and the mayor of Calgary suddenly becomes the main shareholder in Chem-Security. All of a sudden the hills are made low and the valleys are filled up, to misquote from the New Testament, and a way comes very smooth indeed for Chem-Security, now owned by Bow Valley Resources, to proceed through to an agreement. I guess we should have been surprised, but we shouldn't – I mean, whether it's grazing leases or disposals, whatever it is, it doesn't matter. Somehow or another this thing got back on track.

However, the Auditor General then notes that BVRS now comes – this is on page 23 – to the government and says that really basically Chem-Security didn't know what they were talking about, that they couldn't build a plant, that they had to raise money. This is one of the larger Canadian oil companies at the time that was doing very well indeed. [interjections] No, no. They couldn't raise the money. They had to make a deal to raise money. Well, you would have to be a very naive person indeed, not only believing in the Easter bunny and the tooth fairy but maybe even Santa Claus, to think that this firm in Calgary was not able to raise the money. Well, really what happened, Mr. Chairman, was that they were able to look over the shoulder of the cabinet and noticed a great pile of gold coins there sitting in a pack called the heritage trust fund, which the cabinet used to run through barefoot in the morning in order to get their sexual jollies. Naturally poor little broken down Bow Valley said: "Oh, we don't have the money. Can we have some of yours?" Well, sure, sure. Here, have a shovelful. Have a wheelbarrowful.

DR. L. TAYLOR: Point of order.

THE DEPUTY CHAIRMAN: Point of order, the hon. Member for Cypress-Medicine Hat.

Point of Order

Allegations against Members

DR. L. TAYLOR: Standing Order 23(h), (i), (j), suggesting our cabinet gets its sexual jollies by running through money. We know they don't get any sexual jollies at all.

MR. N. TAYLOR: Things have changed, Mr. Chairman. That was then. Now the hon. member gets his jollies by feeding cows that got by the bluetongue quarantine from the south and selling them back to the Americans for marked-up prices.

THE DEPUTY CHAIRMAN: On the point of order.

MR. N. TAYLOR: Oh, on the point of order?

THE DEPUTY CHAIRMAN: Yeah; I just want to make a ruling on the point of order.

Certainly the hon. Member for Cypress-Medicine Hat hasn't got a point of order. However, I have been sitting here listening to the hon. Member for Redwater for about 11 minutes and 55 seconds. I in front of me have a small amendment, and that's what we are debating here. I'm very patient, but you have wandered so far away from the actual amendment. Please get back on this little three-line amendment.

Debate Continued

MR. N. TAYLOR: Thank you, Mr. Chairman. You're probably well advised. I was not really wandering; I was trying to lay the ground. It may be my agricultural background. I was doing a little summer fallowing here, preparing the seedbed. You know, when you're talking to the government over there, you've got two choices. One is to sort of prepare the seedbed so that when it lands there, it grows. The other way is to pry apart the ears and quickly drop in an idea before it snaps shut again. I just chose the slow system. I will try to use the fast system, Mr. Chairman, and drop the idea in quickly before the mind closes. [interjection] Or opens; that's true.

There's no doubt here, Mr. Chairman, what the idea of the motion is. It's to deny this profligate government access to the taxpayers' money to pay off their mistake, to pay off the ransom, so to speak. What has happened here is nothing more than a giant boondoggle. Admittedly the Auditor General has come in here, but even then I would think the Auditor General is doing a certain amount of laundering. I would have liked to see a full-fledged judicial inquiry so we could summons and look at some of the letters that went about setting up this liability.

THE DEPUTY CHAIRMAN: The hon. Government House Leader on a point of order.

Point of Order

Reflections on Nonmembers

MR. DAY: In terms of references, it's Standing Orders and *Beauchesne*, which speak very clearly about allegations on people outside the House. Would the member opposite like to qualify his remarks when he said that he believed the Auditor General was laundering money in his assessment here? Those were the words that were used, and I'd just like clarification on that.

MR. N. TAYLOR: I'm glad he asked it, because I certainly didn't say "laundering money." I said that the Auditor General may have laundered the results a certain amount because he didn't have access, as a judicial committee would have. That's what I really would have liked to say.

Debate Continued

MR. N. TAYLOR: I don't think the Auditor General was the right person to look into this deal. The Auditor General is what the government put on this deal, but this goes far beyond the Auditor General. I think it goes to the stage of a judicial committee, Mr. Chairman. A judicial committee would have found, as the Auditor General didn't have access to, how a group of Calgary financiers were able to take the taxpayers of Alberta to the cleaners for half a billion dollars. That's how simple it is. Not that there's anything wrong with Calgarians making a lot of money, but I still think that it is wrong, Mr. Chairman.

How did a deal that started out as Chem-Security going to build this on their own risk end up with a bunch of Calgarians, oilmen, finally owning the company that cost the Alberta government half a billion dollars to get out of? That would be very interesting. It would be nice to summons witnesses and examine them under oath, but the government is pulling the same thing here that they did with NovAtel. They said: well, the Auditor General is going to give a report. Well, the Auditor General doesn't have access to everything. It's not that the Auditor General doesn't do the best that he can, or they can, if you want to refer to it as a department. It's only the best they can, but it's not as good as a full-fledged judicial commission. If half a billion dollars isn't enough to warrant a full-fledged judicial commission, I don't know what is, Mr. Chairman.

You know, one of the questions I've already asked: can anybody say why Alberta out of the 10 provinces had to have this? Number one. That would have been interesting. The Auditor General didn't go into that. Secondly, the Auditor General didn't go into why Bow Valley ended up with the shares of Chem-Security. The Auditor General didn't go into why Bow Valley then transferred those shares when Bow Valley had some problems and I believe sold out to a British company, how those shares then ended up with Trimac and the McCaigs. Nobody's gone into that area at all. The Auditor General didn't have a chance to see what were the going rates for financing at the time. Why would a utility have to have the going rate of interest plus 4 percent and up to 9 percent to go after what was a captive market?

After that is negotiated, after that profit is guaranteed and therefore the company has no more interest in trying to process materials to make a profit, the government suddenly changes the rules for the oil and gas industry to say that you don't have to process this anymore. All of a sudden the oil and gas industry can ship their waste somewhere else. Naturally, what investor in his or her or their right mind, being guaranteed prime plus 4 to 9 percent, would want to take in anything from the other provinces? They'd be quite pleased, quite happy if the thing sat there rusting because they're going to get prime plus 4 to 9 percent.

11:10

So the whole idea that they would be out looking – and this is the same with imported waste. As soon as that was cemented in – and it wasn't in the original deal, the hazardous waste, with the original company. It only came in after people that are very, very well connected to the Conservative Party became the majority

owners of it. Suddenly we get these sweetheart deals where there's no incentive whatsoever to try to process any material. In fact, you might even be disappointed if you saw any. Nowhere does the Auditor General also mention: did these people that own the hazardous waste or were in partnership have hazardous waste facilities anywhere else, or did they own a portion of hazardous waste materials anywhere else that this may have been directed to? No. The hon. Member for Barrhead-Westlock had it right on the nose when he said the other night that he wanted it as a public utility. He wanted it then; he wanted it now. Mind you, the hon. Member for Barrhead-Westlock may be a little bit guilty of holding his nose because of his ambitions and letting some of this pass through.

The fact is, if we're going to guarantee that things will be processed in the province, the only way you can do it is by creating a public utility or leaving it wide open. That's the other thing. This waste facility, after it was found out the share ownership was suspect and was in fact disliked, how come the government didn't open the whole thing again to – I think the Auditor General said there were 15 people that originally bid on it. How come the whole thing wasn't opened up again? Somehow or other this didn't go through that. [Mr. N. Taylor's speaking time expired]

MS HALEY: Your time's up.

MR. N. TAYLOR: He didn't hear it. Neither did I. Three Hills-Airdrie is timing you, Mr. Chairman.

THE DEPUTY CHAIRMAN: The hon. Member for Calgary-North West.

MR. BRUSEKER: Thanks, Mr. Chairman. Always a pleasure to follow on the heels of a learned, experienced colleague like the Member for Redwater. Well researched, well thought out.

The amendment before us today is a short amendment to a short piece of legislation that has long impact. The amendment proposes to reduce the amount of \$147,500,000 to \$1. Now, I beg to differ a little bit with my hon. colleague. I still think a buck is a little on the high side, but I guess that's probably as low as we're allowed to go, because I know we're not allowed to substitute – zero is not allowed, so you have to leave in a dollar. Maybe that would be the dollar that the hon. Premier could put forward, or maybe the Minister of Labour on his behalf as the House Leader I'm sure would be happy to throw that buck into the pot and help kick things off. He just needs to find another \$147,499,999 to come up with the rest of the money. I don't think it should be the taxpayers of the province of Alberta who come up with this amount of money.

Now, it's interesting, Mr. Chairman, when you look at the whole saga, if you will, the whole series of events that the Auditor General has put forward. I know that a number of my colleagues have spoken on different issues, but it seems that much of the problem dealt with the plant expansion that occurred in late 1992. Now, the problem that occurred there was first of all that the government accepted a proposal to expand the plant at all. Then there was the cost overrun. The proposal was that the initial expansion was going to be \$60 million, and that of course grew to \$104 million before all was said and done.

Now, the problem with that – of course there were many problems – relates also to the whole issue of the waste stream: what was going to be consumed as the fuel or raw material for

this plant? It's interesting when you look back to the design and construction of the original plant. In the Auditor General's report on page 21 it says:

Chem-Security's 1982 response to the Request for Proposal suggested a \$47 million facility with an annual capacity of 30,000 tonnes, of which 12,500 tonnes was to be incineration.

That was the original proposal, that came from page 21 of the Auditor General's report. Now, even then there should have been some alarm bells that went off because that grew by \$7 million, approximately a 15 percent cost overrun, which was still pretty high.

What's interesting is when you look at some charts that the Auditor General has included in his report. A chart and a graph on pages 14 and 15 of the Auditor General's report talks about the total amount of waste that has been consumed by this plant. When you consider the total amount that has been consumed, the Auditor General says that "to the present time" – I guess we can assume that when the Auditor General refers on page 11 to "the present time" he means today – "the facility has incinerated more than 70,000 tonnes of hazardous waste." The interesting thing right below that in the very next sentence is: "In my view, however, these benefits could have been achieved for less cost." That, too, is from the Auditor General's report, page 11.

Now, Mr. Chairman, when you look at the original design of the plant, incineration of 12 and a half thousand tonnes per year, it suggests that when you look at the total increased capacity, the increase was proportionally much larger than the original plant. One must beg the question then: why it is that we put all that money into an expansion that even at the time it was proposed it was clear that there would be only a short-term need for the expansion? Once the backlog had been consumed, it was clear – it was clear even at that time – that there would no longer be a need for the increased capacity that was going to be created by the expansion. In fact, when you look at page 37 of the Auditor General's report, he says:

Once the backlog was eliminated, however, waste stream estimates indicated that the additional treatment capacity would be underutilized.

The best scenario would be achieved by adding capacity of 40,000 tonnes per year, thereby eliminating the backlog quickly . . .

That's what the Auditor General's report says.

So the government at some point said: we've got a whole bunch of material stored up someplace, and we need to get rid of that backlog of material. That's what was going through the mind of the government, assuming they thought about it at all at the time. They said: well, we're going to get rid of this waste material very quickly. Then the Auditor General goes on and says in that same sentence on page 37:

. . . though it was acknowledged that underutilized capacity thereafter would result in the need for continued financial support by the Corporation.

Of course, the corporation is the taxpayer of the province of Alberta.

11:20

So there were two proposals for expansions to be given to this plant, one of 25,000 and one of 40,000 tonnes. The government chose to go with the bigger and the faster and presumably the more cost effective in the short term, certainly not more cost effective in the long term, because now, Mr. Chairman, we see a request by this Bill. That's what the amendment proposes to eliminate: 147 and a half million dollars, leaving instead the grand sum of \$1.

Now, one must question why it is when you look at the scenario that is laid down in terms of the expansion of this plant – there were assumptions, and it seems that those assumptions are proving to be very, very costly. The Auditor General talks about the NRCB report on pages 38 and 39 – I certainly won't bother reading extensively from that report, Mr. Chairman – and what he says is that there was an assumption that there would be additional regulatory demands for people to be more careful in eliminating the waste material from whatever their product was that they were working on. Indeed at the time that had come forward, in the report Chem-Security suggested that

expanding the facility to treat all available volumes of waste would go a long way towards ensuring that public financial support would not be needed.

Now, that was based on the NRCB report. That was on April 30, 1992. Very shortly thereafter, then, in October of that same year, 1992, construction begins on an expansion of the plant. So far things seem to be looking pretty good. But then a scant few months later, December of 1992 – and this again is from the Auditor General's report – the department announced that “oilfield waste would be excluded from the definition of hazardous waste in the Waste Control Regulation.”

So you have to think about: okay; first we had a project proposed based on X volume of material; then a scant six months later the proposed expansion is kicked into gear; and two months after the expansion goes on, what ends up happening? That proposed waste supply doesn't materialize, Mr. Chairman. One hundred and forty-seven million is what it's costing us now to get out of that proposal, plus of course the \$104 million that went into the plant to expand it from its original capacity of about 12 and a half thousand tonnes of incineration to the new, improved, expanded and of course high-cost development that we now have.

The obvious question that one must ask is: what was so unique, what was so special that this occurred at that time, and why wasn't anybody paying attention? Mr. Chairman, you know what the answer to that is? The government was too busy holding a leadership race. Nobody was minding the store. You had a bunch of people wandering around the province looking to win the leadership of the Progressive Conservative Party and become the next Premier of the province of Alberta. As a result, cabinet and the people who were in charge weren't paying attention. The end result is that we now collectively, the taxpayers of Alberta, because of their ineptitude and inattention, not only had to pay the \$104 million to expand the plant but now are being asked to pay \$147 million to get out of the plant . . .

MR. CHADI: And counting.

MR. BRUSEKER: And counting, as my colleague from Edmonton-Roper reminds me.

. . . simply because the government was too preoccupied with doing their own housekeeping duties.

AN HON. MEMBER: It takes them longer to count.

MR. BRUSEKER: It takes them longer to count. That could well be.

Of course, there are some hon. members who are there today that weren't involved at that time because they were busy with other duties in the city of Calgary, for example, with aldermanic duties or other things at the time.

However, the Auditor General also says in his report that had the government not expanded and in fact invoked clause 1302 in

December of 1992, then they could have got out with a cost of only \$40 million at that time. A total of \$40 million. Now, I know that that point has been made before, Mr. Chairman, but it's important to reiterate. If the government had kicked in clause 1302 at that time, it probably would have saved the province of Alberta well in excess of \$200 million, both in terms of the expansion and secondly in terms of the buyout clause, this \$147,500,000 that we propose to reduce.

Now, when you look at the total cost, Mr. Chairman, when you look at what is being proposed – the Auditor General talks about savings that could have happened. There's an interesting point that the Auditor General makes – and I don't know that other colleagues of mine have commented on it, but I feel it's important to comment on – and that is this: there was the opportunity through the agreement that Bovar could buy out the corporation or the corporation could buy out Bovar if certain conditions were in place. Now, for the provincial government to get out of their investment, it had to be able to

demonstrate that future payments to cover operating deficits and guaranteed return on investment would be unreasonably high . . . That's the key phrase, “unreasonably high.”

. . . and unlikely to decline over the next five years.

Yet the Auditor General points out on page 32 that “unreasonably high” is not defined in the joint venture agreement.

So here there's a potential out clause, where even after the government had gotten involved with the expansion and even after the construction had started and even after it had gotten going, the government could have gotten out if they had taken the time beforehand to simply set a dollar figure on what it is that is unreasonably high, but it's not defined. I can just imagine if the government had said, “Well, we're going to back out because it's unreasonably high,” Bovar could have taken the government to court and we would have the same kind of boondoggle with Bovar and the government in court as we now have with Gainers and the government in court. The government never took the time to spell out the conditions that were going to kick in that phrase of “unreasonably high,” and that is the problem in part.

[Mr. Tannas in the Chair]

As the Auditor General has pointed out in a number of cases in fact, the government did not negotiate from a position of strength but in fact frequently gave away, through the four and a half years of negotiation, their strength and their bargaining position. So the end result, Mr. Chairman, is that because of bad negotiations, the government being involved so deeply with the leadership race in the fall of 1992, no one is minding the store, and the government comes to us and says: help us buy our way out of this by giving another \$147 million on top of the money we've already thrown away. Our response on this side is no. Our response is no. Simply because the government has been negligent in its duties is no reason for any Member of this Legislative Assembly to support the Bill as it's currently printed, which is why we have the amendment before us, the amendment to reduce that \$147,500,000 down to \$1.

It's not as if the government didn't understand, as they said with NovAtel for example – they just didn't know what they were getting into – but in fact they gave it away. They gave away the rights to this plant. In fact, not only are we giving it away, we're going to proceed to give \$147 million after that. The government has not taken the time to be responsible stewards and controllers of the money that was invested in this plant either in phase 1, because there was a cost overrun there, not in phase 2, because

there was a \$44 million overrun, and from my reading of the Auditor General's report not in any of the joint venture agreements. Neither in the initial one or in the amended joint venture agreement did the government stand up to Bovar and Chem-Security and say: "Wait a minute. We are here looking out for the people of the province of Alberta." In fact, the Auditor General himself says that had the government simply built it and operated it themselves as a utility, they could have saved money and it would have been cheaper than this joint venture kerfuffle that has gone on for the last five years.

11:30

An interesting thing, Mr. Chairman, when you go back to the total consumption of waste treatment through incineration, at 70,000 total tonnes consumed to date really the plant has never operated at capacity. It has never been, now that it's been expanded, operating even still to its full capacity. So we have a plant that has never really reached full utilization, and as the Member for Calgary-West talked about, much of the backlog of stored material probably could have been consumed in other places, in other ways, and he suggested in fact a plant in Idaho.

Mr. Chairman, this amendment we have before us today is basically before us because this particular amount of money, \$147,500,000, that is being requested in the Bill is being requested for a plant, a facility, the Swan Hills special waste treatment facility, that is a mess because the government was inattentive . . .

THE CHAIRMAN: The hon. Member for Redwater on a point of order.

**Point of Order
Questioning a Member**

MR. N. TAYLOR: Would the hon. member permit a question?

THE CHAIRMAN: Hon. Member for Calgary-North West, would you entertain a question from Redwater?

MR. BRUSEKER: Sure. Yes, Mr. Chairman.

Debate Continued

MR. N. TAYLOR: This is what you'd call a Member for Medicine Hat type of question. Would the hon. member be able to share with the House what would happen if this motion would carry and we just didn't pay the money? What would happen?

MR. DAY: On a point of order, Mr. Chairman.

THE CHAIRMAN: The citation, hon. Government House Leader?

MR. DAY: A citation in *Beauchesne*.

**Point of Order
Improper Questions**

MR. DAY: It is very clear that hypothetical questions are not permitted in the Assembly.

THE CHAIRMAN: On the point of order, Redwater.

MR. N. TAYLOR: I think the hon. member's point of order is correct. My question should be rephrased to: what would he recommend that the government do if this motion passes?

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

THE CHAIRMAN: Well, hon. member, we do have a bit of a problem. We have a point of order on a point of order, and as the hon. Government House Leader has often spoken on the topic, that can't be. However, this is not question period, and the hon. member may answer the question, if he wishes. If he doesn't, he can continue on. He's not a minister responding for his department. It's not question period.

MR. BRUSEKER: Yet, Mr. Chairman, yet.

Debate Continued

MR. BRUSEKER: Well, I would think that if indeed this does pass, then certainly the government might want to go back and negotiate. But I don't think they're going to be able to do that particularly well. So the words "resign" and "election" spring to mind pretty quickly . . .

MR. N. TAYLOR: Election.

MR. BRUSEKER: They probably couldn't do that right now because they haven't managed to get the boundaries straight yet either, hon. member, so that would probably be called into court as well. It's kind of the devil and the deep blue sea, is where the government is right now, but that's not unusual given where they are.

I guess, Mr. Chairman, in closing comments I would say that the biggest disappointment that I've had in this socialist government and their buying into the garbage business in the first place is that it's never been a moneymaker at all. The difficulty we have, from what I can understand, is that the plant really hasn't achieved exactly what it was set out to do. What it was set out to do was to handle special waste that is not in the best interests of the province of Alberta. So when I look at Bill 45, that has this \$147 million in the back, I think that if we got rid of some of the PCBs, then we could change this. By PCBs I'm not talking about chemicals used as an insulator, as my hon. engineer colleague here talks about. I'm talking about Progressive Conservative backbenchers. If we used the facility to eliminate some of those PCBs, then in fact this amendment could pass and we could go back to the drawing board and renegotiate a better contract for the province of Alberta. So maybe what we should be doing is calling up the special waste treatment facility and suggesting that there is another area where some hazardous waste could be removed that would be an improvement for the province of Alberta.

Thank you, Mr. Chairman.

THE CHAIRMAN: The hon. Member for Lethbridge-East.

DR. NICOL: Thank you, Mr. Chairman. I just want to make a couple of comments on the amendment to Bill 45 as well. What we have is an effort to bring to the attention of the government the fact that the Appropriation (Supplementary Supply) Act, 1995 (No. 2) basically is dealing with funding for three different areas, and each of them in their own way can be described as a disaster, the first one basically a disaster in terms of the management that was put together by a government that wasn't following the advice of their advisers, a government that wasn't dealing with what appears to be reasonable and good management decision-making strategies and ended up basically providing Albertans with an

obligation now for \$147,500,000 of cost that's associated with those bad decisions. Effectively what happens, then, is we start to try and cover this under this same piece of legislation when we're looking at other issues that come up in terms of expenditures that are necessary to support society, to support individuals, rather than the negligence of the government.

So what we've got there is basically a government that operated in bad faith with the people of Alberta, that operated much in a contrary way to the kind of advice they were being given. We even saw in the Auditor General's report where the original recommendations – even the board that was reviewing the operation capacity of the BVRS group would basically not be capable of handling the financial responsibilities and the funding requirements, that they were going to have major difficulties in raising their equity. So this is a sign to the decision-makers in the government of Alberta that they shouldn't have been getting involved in this kind of a process. By supporting the amendment to withdraw this, it's a means of showing the government that we don't agree with the way they went about making the decisions.

We've heard a lot of the reasons expounded on earlier this evening, Mr. Chairman, and other than to say that I don't like this and that it's not effective in the way that we are trying to put this off now to the taxpayers without a full explanation and without a full definition of the process that was involved and the way the decisions were made and how they were handled, I think we should all support this amendment and withdraw the money.

THE CHAIRMAN: The hon. Member for Edmonton-Mill Woods.

DR. MASSEY: Thank you, Mr. Chairman. I wanted to say a few words in favour of the amendment. In Bill 45 there are obviously the three votes, and this amendment would expunge from the Bill the one that is so inconsistent with the other two.

How we spend our money is really a reflection of the values we share as a community: the mutual respect for groups, the fair treatment for all, the thought that we'll treat others with respect and dignity, that we value tolerance and truth telling, and that we take some responsibility for our neighbours. I think for the most part the expenditures in this Legislature are designed to support those community values.

I think, for instance, that the \$11,425,000 in Transportation and Utilities is really a sound use of public dollars. Anyone who toured the southern part of the province and saw the kind of agony that those floods caused Albertans and saw that community in action trying to help each other with the sandbagging and the other work of the community in trying to cope with that flood will agree that those people are our neighbours and we have an obligation to them as Albertans to help them in their time of trial. I guess there had been some quarrel with the way those funds were administered, but in general I think there's strong support across the province for coming to the aid of our neighbours when they are in difficulty. Again, I think it's an extremely legitimate role for government that they do this.

11:40

I think even the Health Bill, the Health vote, the \$35 million for Blue Cross, is necessary. It helps to make our community stronger. It fulfills an obligation that we have to assure the good health and the peace of mind of the seniors in our community, and it's expenditure that the government really has no other choice but to make. I think a question that could be asked is: why is that cost here in front of us now? The costs that are involved in that vote shouldn't be a surprise to the government. They've been in

budgets for years. As I said, the question has to be asked: why now in this kind of supplementary requisition?

I would like to talk about the money that's being set aside for the Bovar agreement. I think that when all is said and done and the details of the agreement have been talked about and treated in the media, Albertans are going to be left with some impressions. Those impressions, I think, are four. The joint venture agreement is unfair to taxpayers because the government assumed all the risks while Bovar didn't assume any. A second generalization is that the joint venture agreement provided no incentive for low-cost operations for Bovar while it provided incentives for a plant which is too large at too high a cost. A third generalization is that the joint venture agreement provided excess profits, \$30 million more than were required to ensure the appropriate return for a minimum risk by Bovar. The fourth impression that they're going to be left with is that the government had a significant role in the major decisions of the joint venture since it had the right to veto budgetary and operational decisions. For some reason, they neglected to exercise that power.

With those comments, I would urge members of the Assembly to support the amendment, Mr. Chairman.

THE CHAIRMAN: The hon. Member for Edmonton-Avonmore.

MR. ZWOZDESKY: Thank you, Mr. Chairman. I rise just to exercise a few brief comments here in support of this amendment, because as has been very eloquently staged and presented by numerous speakers prior to this, there is good reason to separate from this Bill the bad from the good. There are some good things there that are going toward helping out the disaster-stricken people in the south. We support that. They need some help; no problem there. By the same token, some additional moneys are needed for the Blue Cross plan, and it's good to see some money going to help the seniors in particular in that area. The part of this whole deal that really stinks, for want of a better word, is this notion of perpetuating yet more expenditures.

AN HON. MEMBER: Time.

MR. ZWOZDESKY: Is my time up, Mr. Chairman? In my one minute remaining I would simply say that to put this into real terms, I wonder . . . [interjections] Is that the one-minute signal?

THE CHAIRMAN: Hon. members, at quarter to midnight on Standing Order 61(4), the Chair must put the question proposing the approval of every appropriation Bill on the Order Paper for consideration by the Committee of the Whole.

The hon. Government House Leader.

MR. DAY: Thank you, Mr. Chairman. As you're dealing with process right now, if I could refer to *Beauchesne* where it does allow, upon agreement of the House leaders, for foreshortening of the time between the division bells, I would ask for unanimous approval of a three-minute period in between the two bells.

THE CHAIRMAN: The hon. Member for Calgary-North West on the point that has been raised by the hon. Government House Leader.

MR. BRUSEKER: Certainly, Mr. Chairman. I think that would speed things along in the evening time. A one-minute bell would be acceptable.

THE CHAIRMAN: Okay. Did I hear "one-minute bell" or "three?"

Doerksen
Evans
Fischer

Magnus
Mar
Mirosh

Thurber
Woloshyn

SOME HON. MEMBERS: Three.

Totals:

For - 12

Against - 32

THE CHAIRMAN: Three. The hon. Government House Leader has proposed that we have a three-minute voting bell. All those in favour, please say aye.

[Motion on amendment A1 lost]

HON. MEMBERS: Aye.

THE CHAIRMAN: I now must put the question proposing Bill 45, Appropriation (Supplementary Supply) Act, 1995 (No. 2). All those in favour, please say aye.

THE CHAIRMAN: Opposed, please say no. Carried.

SOME HON. MEMBERS: Aye.

First of all, we must give consideration to the amendment, which was proposed by the hon. Member for Edmonton-Roper, known as amendment A1. All those in support of amendment A1, which was proposed by the hon. Member for Edmonton-Roper, please say aye.

THE CHAIRMAN: Those opposed, please say no.

SOME HON. MEMBERS: Aye.

SOME HON. MEMBERS: No.

THE CHAIRMAN: Those opposed, please say no.

THE CHAIRMAN: Carried. Okay.

SOME HON. MEMBERS: No.

MR. DAY: Mr. Chairman, I move the Bill be reported.

THE CHAIRMAN: Defeated.

[Motion carried]

[Several members rose calling for a division. The division bell was rung at 11:46 p.m.]

MR. DAY: Mr. Chairman, I move that the committee rise and report.

[Three minutes having elapsed, the Assembly divided]

[Motion carried]

For the motion:

Bruseker
Chadi
Dalla-Longa
Dickson

Germain
Massey
Sekulic
Taylor, N.

Vasseur
White
Zariwny
Zwozdesky

[Mr. Clegg in the Chair]

THE ACTING SPEAKER: The hon. Member for Highwood.

11:50

Against the motion:

Ady
Brassard
Burgener
Calahasen
Cardinal
Clegg
Coutts
Day

Forsyth
Friedel
Fritz
Haley
Havelock
Hlady
Jacques
Laing

Paszkowski
Pham
Rostad
Severtson
Shariff
Smith
Stelmach
Taylor, L.

MR. TANNAS: Thank you, Mr. Speaker. The Committee of the Whole has had under consideration certain Bills. The committee reports the following: Bill 45. The committee reports the following with some amendments: Bill 44. I wish to table copies of all amendments considered by the Committee of the Whole on this date for the official records of the Assembly.

THE ACTING SPEAKER: All those in favour of the report, please say aye.

HON. MEMBERS: Aye.

THE ACTING SPEAKER: Opposed, if any. Carried.

[At 11:55 p.m. the Assembly adjourned to Tuesday at 1:30 p.m.]

