

**LEGISLATIVE ASSEMBLY OF ALBERTA**

Title: **Thursday, July 20, 1989 2:30 p.m.**  
Date: 89/07/20

[The House met at 2:30 p.m.]

[Mr. Speaker in the Chair]

**PRAYERS**

MR. SPEAKER: Let us pray.

O Lord, we give thanks as legislators for the rich diversity of our history.

We welcome the many challenges of the present.

We dedicate ourselves to both the present and the future as we join in the service of both Alberta and Canada.

Amen.

I'm interested to see that at least two of us are here in Klondike garb.

**head: INTRODUCTION OF VISITORS**

MR. SPARROW: I have the pleasure today of introducing to you and through you to the members of the Assembly a very special guest seated in your gallery. Several years ago, I think it was '75 to '79, we were very fortunate to have Ralph Steinhauer as Lieutenant Governor of this province. Last night I had the fortune of being at the Indian Association, and the Indian Association gave away their first annual award. It is called the Ralph Steinhauer Award. The award winner was Willie Littlechild, MP for Wetaskiwin, the first treaty native to become an MP in Canada, and we're very, very proud to have him in Wetaskiwin. Willie, if you would please rise and receive the cordial welcome of the House.

MR. SCHUMACHER: Mr. Speaker, it's my pleasure to introduce to you and through you to all members of the Assembly a distinguished member of the House of Commons from the province of Ontario, Mr. Kenneth Monteith, who represents the constituency of Elgin. I'd ask him to rise and receive the traditional warm welcome of the Assembly.

MR. FOX: Mr. Speaker, it's my pleasure to introduce to you and to members of the Assembly a former member of this Legislature, someone who worked extremely hard on behalf of his constituents in Athabasca-Lac La Biche and stood up in this Assembly many times and spoke out on a number of issues, my good friend Leo Piquette. I'd ask members to welcome him in the public gallery.

**head: PRESENTING PETITIONS**

MR. SPEAKER: The Member for Edmonton-Jasper Place, followed by Edmonton-Meadowlark.

MR. McINNIS: Thank you, Mr. Speaker. It's my pleasure to present a petition signed by some 6,100 Albertans calling for legislation to delay proposed pulp and other forestry develop-

ments until there's a class environmental assessment on the proposed forestry developments to the standards of the federal guidelines.

MR. MITCHELL: Mr. Speaker, I rise to present the same petition, signed by 5,700 people, calling to delay all pulp projects until complete environmental assessments, considering among other things cumulative effects, have been done for these projects.

**head: NOTICES OF MOTIONS**

MR. TAYLOR: Mr. Speaker, I rise to present a motion under the Standing Order 30 for an emergency debate today on the Code report. To shorten and make the time flow by as fast as possible, the arguments for the emergency debate are the same as what the hon. Member for Edmonton-Glengarry put forward yesterday, but in addition to that, the fact that many members of the House were not able to participate in the debate . . .

MR. SPEAKER: Order please, hon. member. Just state the case as you outlined in the letter to my office; nothing more. Thank you.

**head: INTRODUCTION OF BILLS**

**Bill 12**  
**Credit Union Act**

MR. JOHNSTON: Mr. Speaker, I request leave to introduce Bill 12, Credit Union Act. This being a money Bill, Her Honour the Honourable the Lieutenant Governor, having been informed of the contents of this Bill, recommends the same to the Assembly.

Mr. Speaker, all members will recall that in the last session of the Assembly we brought forward Bill 56, the Credit Union Act. The intention of that legislation was to receive the fullest possible review by the system itself. Over the period since we introduced that Act, we have been in continuous discussion with the credit union system to ensure that we can bring forward an improved piece of legislation which reflects the administrative and technical operation of that very important financial sector of our provincial economy.

As I said on June 21, 1988, when I introduced that Bill, this credit union legislation weaves together both the tradition of the old Credit Union Act, which goes back some 51 years in this legislation, together with the improvements which new financial regulation and financial legislation must require, including, for example, such things as the role of directors, the question of financial activities to ensure that prudent portfolio limits are maintained and certainly to ensure that the equity base of these financial institutions is updated. This has been reflected in this piece of legislation. As well, Mr. Speaker, the major significant policy change in this Bill, which may in fact differentiate it from Bill 56, is that we have been more specific with respect to the way in which the government will guarantee the deposits of the credit union system.

Mr. Speaker, I'm very pleased to move first reading of this important Bill.

[Leave granted; Bill 12 read a first time]

MR. SPEAKER: The Minister of Culture and Multiculturalism.

**Bill 13**  
**Department of Culture and Multiculturalism**  
**Amendment Act, 1989**

MR. MAIN: Thank you, Mr. Speaker. I request leave to introduce Bill 13, which is the Department of Culture and Multiculturalism Amendment Act, 1989. This is a money Bill. Her Honour the Honourable the Lieutenant Governor, having been informed of the contents of the Bill, recommends the same to the Assembly.

Mr. Speaker, this Bill will facilitate the operations of the revolving funds at the northern and southern Alberta Jubilee auditoriums.

I would move first reading of this Bill.

[Leave granted; Bill 13 read a first time]

head: **TABLING RETURNS AND REPORTS**

MR. SPEAKER: The same minister.

MR. MAIN: Me again, Mr. Speaker. I would like now to table with the Assembly the 11th annual report of the Alberta Library Board for the year ended March 31, 1989.

head: **INTRODUCTION OF SPECIAL GUESTS**

MR. WICKMAN: Mr. Speaker, to you and through you to other members of the Assembly I would like to introduce a very special guest, an alderman representing the city of Edmonton, Lance White. He's in the members' gallery. If we could have Lance White stand up and recognize him in our usual warm way.

MR. McINNIS: Mr. Speaker, I'd like to introduce several good-thinking Albertans who are here today to pursue their interests in sustainable economic development: Dr. Bill Fuller, who's with the Friends of the Athabasca, professor emeritus of zoology at the University of Alberta; Bob Cameron of the Peace River Stock Growers Association; Dr. Jim Butler, professor of forest science at the University of Alberta; Brian Toole, Canadian Parks and Wilderness Society; Doris Barnes, Friends of the North, Edmonton chapter. I'd like them to rise and receive the warm welcome of the Assembly. Real people.

MR. SPEAKER: Edmonton-Meadowlark, followed by Vegreville.

MR. MITCHELL: Thank you, Mr. Speaker. I, too, would like to introduce to and through you to members of the Legislature a number of people who are in the gallery today in support of the petition which I and my colleague from Edmonton-Jasper Place presented earlier in the proceedings. They are Louis Schmitroth, Ken Stashko, Jerry Paschen, Linda Hrubizna, and Harvey Scott. I would ask that they rise and receive the welcome of the Legislative Assembly.

MR. SPEAKER: Vegreville.

MR. FOX: Thank you, Mr. Speaker. It's often been my pleas-

ure to introduce to you and to members of the Assembly students from the Peter Svarich school in Vegreville, but there's one person responsible for much of what goes on at that school who can't be introduced during school time because he's the principal. But he's here today visiting, and I'd like to take the opportunity to introduce Mr. George Sebest and his wife, a hard-working educator from the Holden school, Liz Sebest. I'd ask that they stand in the public gallery and be recognized by the members of the Assembly.

MR. TRYNCHY: Mr. Speaker, it's a special day today for a family from my constituency. It's special because one of the members of the family has committed himself to become an MLA down the road. I'd like to introduce four great people, Ron and Judy Kidd and Murray Kidd and Darren Kidd, the future MLA of the Whitecourt constituency.

head: **ORAL QUESTION PERIOD**

**Code Inquiry Report**

MR. MARTIN: Mr. Speaker, to the Treasurer. On November 23, 1987, the Premier promised this Assembly that the government would compensate investors in the Principal companies, to use his words, if the government is found to be negligent, if it harmed investors in any way. He also said that he would be guided by the Code report. We now have the Code report, and the government has decided to stall for more time. Mind you, they've been stalling for over a decade trying to deal with this problem, Mr. Speaker.

It was interesting to see in the emergency debate yesterday that the Provincial Treasurer was already starting to deny the evidence. I quote, Mr. Speaker, from yesterday:

Those people who use that negligence characteristic of the government obviously have not read the report, because Mr.

Code very clearly speaks to that issue at [page] 419.

My question, Mr. Speaker, to the Treasurer. The Treasurer says on one hand that they need a week to fully reply to the Code report, but yesterday he was already denying negligence. You can't have it both ways. Which way is it?

MR. JOHNSTON: Mr. Speaker, there were certainly a lot of wide-ranging thoughts in the introductory comments by the Member for Edmonton-Norwood. What we can say is that we have not changed our commitment with respect to the responsibility this government has should fault be there. Secondly, with respect to the comments I made yesterday with respect to the question of liability and negligence, I simply quoted directly from Mr. Code where he said that his responsibility was not to make any findings with respect to liability or negligence. That, in fact, is the case, Mr. Speaker.

MR. MARTIN: Mr. Speaker, that's precisely the point. My question is to the Treasurer. Under his mandate he couldn't say that, but that's precisely what he wanted to say. Is that not the truth?

MR. JOHNSTON: Mr. Speaker, I can see already that the member has raised some questions, and it's for that very reason that in considering that very point, together with a variety of other points, this government appropriately is taking some time to come to a conclusion. As I have said before, we will take that

time and probably within the next week will bring forward a very comprehensive response to Mr. Code's report.

Interestingly enough, Mr. Speaker, I should say that even the contract holders understand our position. In fact, in speaking with some of them recently, they have said: "Yes, take your time. It is a complex report, and we understand the reasoned response which we can expect from this government."

MR. MARTIN: Well, Mr. Speaker, as I said, we've been waiting a long time. The Treasurer did say "negligence" yesterday. My question is this to the Treasurer. Is he aware that *Black's Law Dictionary*, an accepted authority, says that neglect is a synonym for negligence and also says that recklessness is a much stronger term than mere, ordinary negligence? Isn't he aware, then, that that's precisely what Mr. Code was trying to say if he could, that there was negligence or worse from this government?

MR. JOHNSTON: Well, I should say that I don't carry Black's dictionary with me, nor would you expect me, Mr. Speaker, to give you a legal opinion, because I know you'd get that furrowed brow if I were to do that. So obviously I will not provide an answer to that question, appropriately so, because, of course, it would evoke a legal opinion, and I'm not about to do that.

MR. SPEAKER: Second main question, Leader of the Opposition.

MR. MARTIN: Mr. Speaker, also to the Treasurer. In June 1986 the Provincial Treasurer assumed responsibility for the administration of the Investment Contracts Act. According to the Code report, the Treasurer was advised by the superintendent of insurance on July 23, 1986, that the Principal companies would continue to experience operating losses unless there was a massive injection of capital and that the regulators in British Columbia were refusing to renew the company's registration there unless capital was injected. Now, Mr. Speaker, in light of this serious situation, did the Treasurer inform the Premier?

MR. JOHNSTON: Well, Mr. Speaker, the testimony is clear that we did, in fact, inform the Premier in early 1987.

MR. MARTIN: In other words, the Treasurer had something that was this important and this serious to this government and that serious to the people of Alberta, that was going to cause us problems, and he didn't inform the Premier? My question is: why wouldn't he do that?

MR. JOHNSTON: Well, Mr. Speaker, what he has said here in terms of time references of course assumes that the day somebody is appointed to a position he has immediate and full information. What we did -- I provided that information to Mr. Code. At some point I'll be glad to provide further explanation to it, but we have indicated here that we're not going to go through the testimony side again of what Mr. Code has already taken. That was a long process. It took over two years, with a variety of experts that he used, for him to come to that opinion. Therefore, it is appropriate, I think, that we at least have some time to wade through this very heavy report to judge whether or not we are in concurrence with Mr. Code's statements, and then make a full and complete report to this Assembly and to the people of Alberta, and that's our intention.

MR. MARTIN: Mr. Speaker, what we're dealing with is accountability of this Treasurer.

I want to again ask this Treasurer. Apparently, on October 30, 1986, he decided to bring in outside consultants. Apparently then he didn't even deal with the Premier, and I want to know why, why he wouldn't, when something was that serious, alert the Premier and the rest of the cabinet that he was doing that, Mr. Speaker.

MR. JOHNSTON: Well, again, Mr. Speaker, we're not the alarmist kind of people you see across the way. We want to make sure we know what we are talking about before we come to a conclusion, and I think that's the reason.

### Principal Investors Outside Alberta

MR. DECORE: Mr. Speaker, today an official of the Nova Scotia Securities Commission stated that there are certain rules or customs that operate in the financial securities area in Canada, whereby a company that has its home base in a particular province requires that province to take the lead in terms of regulatory control and examination. There are approximately 10,000 investors in Atlantic Canada, about 18,000 in British Columbia. It is my information that the total investment of these two areas would be in the vicinity of \$80 million to \$100 million. It is conceivable, Mr. Speaker, that Alberta, in forsaking these customs or these rules, might find Alberta companies having retaliation put against them. My question is to the Minister of Consumer and Corporate Affairs. Is it correct to assume that the Alberta regulators, insofar as the Principal Group of Companies were concerned, were the lead regulatory agency and that other regulatory agencies across Canada looked to Alberta for that lead?

MR. ANDERSON: Mr. Speaker, my colleague the Provincial Treasurer might wish to supplement with respect to the answer, but clearly the Principal Group of Companies is some hundred and some odd companies which are regulated by various Acts of this government and other places. For example, some of them were publicly traded companies, where the lead jurisdiction would indeed be the Alberta Securities Commission. Others, however, were exempt in that respect or were not part of the publicly traded companies, so their involvement would be different. The hon. leader would have to be more specific before I could comment more precisely in that regard. The Provincial Treasurer, who is responsible for financial institutions, may wish to augment in that respect.

MR. DECORE: Well, I see the Provincial Treasurer shaking down the question and the answer.

MR. JOHNSTON: Just wait.

MR. DECORE: We're waiting a long time, Mr. Provincial Treasurer.

MR. SPEAKER: Time's moving. Supplementary question.

MR. DECORE: Mr. Speaker, let me be more specific with respect to the question that I put. Insofar as AIC and FIC are concerned, is there a right for other provincial regulators to say by custom, by rules, by experience in dealing with each other that

Alberta was the lead, that Alberta should have done the regulation, the inquiry, the regulation necessary so that they could rely on it, and they did rely on it? Is that proper?

MR. ANDERSON: Mr. Speaker, with respect to those two companies specifically, they come under the jurisdiction of the Investment Contracts Act, which is the responsibility of the Provincial Treasurer.

MR. SPEAKER: Final supplementary.

MR. DECORE: This is a typical stonewall, Mr. Speaker.

Well, I want to put that question to the Provincial Treasurer, who thinks this whole matter is a very amusing situation for 67,000 people, but I don't, sir.

MR. JOHNSTON: Maybe the member could settle down and repeat the question. We'll give him the answer in time.

MR. SPEAKER: No. Thank you very much. No, hon. member, your opportunity was there to ask the question. Away we go.

Calgary-McCall.

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

MR. SPEAKER: Calgary-McCall.

MR. FOX: You don't need a point of order, you need a leadership convention. [interjections]

MR. SPEAKER: Order please. Hon. member, you've been called twice. If you don't start, you'll lose your place in the order. Let's go.

#### **Reforestation of Commercially Logged Areas**

MR. NELSON: Thank you, Mr. Speaker. I'm just waiting for a little silence from these clowns next door here.

Mr. Speaker, to the minister of forestry. Reforestation is a very important component of the responsible management of our forests and our very sensitive environment. Continually, discussion is taking place everywhere in the world to improve the environment that we do live in. Discussion continues to take place on the greenhouse effect created by many various chemicals and/or emissions into the environment. Without carbon-dioxide-breathing living things such as trees and plants, we will not be here to worry about our children's, our grandchildren's future. There won't be any. Would the minister indicate to the Legislature what is being done to ensure, as per our legislation, that those trees which are being removed commercially are in fact being replaced totally?

MR. FJORBOTTEN: Mr. Speaker, a very major part of our reforestation practice is called sustainable development. What that means: for every tree you cut, there is another one planted. The overall concern the hon. member has with the greenhouse effect and with respect to emissions from plants all over this world is a concern that we all should recognize. But the new planting of trees and the regeneration of our forests, in fact, help to stop the greenhouse effect from happening. As I said once before in this House: would you rather breathe with 120-year-

old lungs or 40-year-old lungs?

MR. NELSON: Mr. Speaker, certainly we like to see the trees replanted, but I'm not convinced they're being done properly.

The province at times receives a fee from commercial enterprises to reforest on behalf of the many commercial ventures that are there. Would the minister indicate whether or not those moneys that are collected are in fact sufficient to replace the trees being removed by these commercial enterprises, as per our legislation?

MR. FJORBOTTEN: Yes, Mr. Speaker. Either they have to replant themselves or they pay a levy, at which time we do it. Yes, it is. But I believe, as I've said before in this Assembly, that there has to be, I think, even more pressure put on the forest companies, and I intend to do that, to make sure the regeneration standards and the opportunity to have a better forest for our generations ahead is enhanced. Our reforestation practices are recognized all across North America, in fact the world, as the best or among the best for sure. But I think that can be enhanced even more, and we want to be sure that that takes place.

MR. NELSON: Mr. Speaker, will the minister have additional resources put in place to ensure increased production is available at either the Pine Ridge nursery or other places in the province, making sure that sufficient feedstock is available to replace by 100 percent all trees removed by the commercial enterprises, thus ensuring the immediate replacement of our forests?

MR. FJORBOTTEN: Mr. Speaker, the overall concern that I do have is that there is no possible way the Pine Ridge nursery can keep up with the activity, and there are of course private-sector operators who are also involved in providing seedlings. There will be some enhancement of the Pine Ridge tree nursery to see that we can have more seedlings. Also, I believe it's a good investment for the heritage fund, so I would encourage all members of this Assembly to take under consideration another investment from the heritage fund into a proper seedling facility in this province. Frankly, I'd like see one in some other area of Alberta as well as at Pine Ridge. Pine Ridge is excellent, but I would like to see us not have all our eggs in one basket, and have it more distributed; in case there was a problem in one place, it wouldn't affect it all.

#### **Police Investigation into Principal Collapse**

MR. WRIGHT: Mr. Speaker, my question is to the Attorney General. Yesterday the Attorney General told us that the police have been investigating Mr. Cormie and Principal and the others since the inception, by which I take it he means at least two years, and that the mandate of the police is to make a full and open investigation, which is a bit odd right there because usually they work better undercover, but that's by the way. Then they lay the charges, and then presumably they tell the Attorney General. I wonder, Mr. Speaker, if it's not too intrusive, whether the Attorney General can give a ring to the officer in command of K Division of the mounted police and have a chat with him and ask if there's any news.

MR. ROSTAD: Mr. Speaker, a valiant attempt at humour but a failure. I have not read *Hansard*, but I do believe the hon. mem-

ber has misinterpreted the comments. The RCMP do a diligent and full inquiry. They then consult with the Attorney General's department, and then the charges are laid. Maybe he would like to give me a ring.

MR. WRIGHT: Ah, well, that's comforting to hear, Mr. Speaker. Perhaps then the Attorney General would give us some indication of the extent, when it comes to laying criminal charges, it is intended that who does what to whom and when.

MR. ROSTAD: Right.

MR. WRIGHT: Mr. Speaker, that's all very well from a debating point of view, but the people of Alberta are interested in the answer, I think, and it's an extremely important matter.

Can I ask the Attorney General how it comes that the big bad fumbling feds have beaten you to the punch on charges with the same standard of proof?

MR. ROSTAD: Mr. Speaker, I'm glad we finally got to the point. The investigation that was done by me RCMP located in Alberta was done over a period of time, and as it was going on, information was accumulated that was of such merit that charges could be laid. It was discussed with the Alberta Attorney General. It was found to be in the purview of the federal jurisdiction under the Competition Act, and the charges were laid under that authority.

MR. SPEAKER: Thank you.  
Member for Calgary-Buffalo.

### Regulation of Financial Institutions

MR. CHUMIR: Thank you, Mr. Speaker. To the Provincial Treasurer. The confidence of Albertans and the whole country in our financial institutions has been shaken. Now we see that even Tory MP Don Blenkarn has stated for national consumption that the Alberta government tried to entice financial institutions to this province by offering easy supervision of those institutions. Mr. Code advises that in 1975 the Solicitor General, Mr. Harle, proposed changes to the Investment Contracts Act, but this was stopped without explanation after Donald Cormie wrote to Peter Lougheed. The need for change was even pointed out by the Minister of Consumer and Corporate Affairs in 1983, though this was never proceeded with. I'm wondering whether the minister, since he's now had a chance to get into these matters in some depth, can tell us why some of these needed changes were never enacted for protecting investors, when they were so clearly needed over the years.

MR. JOHNSTON: Mr. Speaker, obviously the outline of the assumptions implicit in what he said are just not true. But, secondly, as we've said in the House before, we're not going to go back through this whole process of testimony that Mr. Code has received. That testimony was received and delivered, and you can read the evidence yourself to conclude what in fact the minister at the time said.

MR. CHUMIR: Well, Mr. Speaker, the Investment Contracts Act has been under attack, and his department has been responsible for that Act. I'm wondering why no changes have been announced with respect to that Act by his government to date

and, indeed, why all of the government releases with respect to financial institutions totally ignore, never mention, the Investment Contracts Act, which is still in existence.

MR. JOHNSTON: Well, now he's getting closer to what would be a legitimate question, Mr. Speaker.

Let me say that since the financial institutions in Alberta have suffered as much as they have, going back I guess with the two banks, with the trust companies themselves, with the contract companies, certainly I think the province of Alberta along with a lot of other provinces have examined very thoroughly what kind of responses may be necessary both in terms of how you draft the legislation, how you structure your regulations, and what sort of legislation principles should be implicit in this kind of financial legislation.

Members noticed today, for example, that we introduced the Credit Union Act. That Act, Mr. Speaker, does reflect many of these new, fundamental principles which are necessary to ensure that good control, good regulation takes place in these institutions. Moreover, we'll be bringing forward very soon in this session new trust companies legislation. At the same time, all provinces have co-operated in an information-sharing agreement which was signed just recently by the two ministers, the Minister of Consumer and Corporate Affairs and myself, and we're moving at quite a considerable speed to a harmonization package with respect to what sort of principles should be implicit in legislation to ensure that co-operation takes place, to ensure some sort of consistency between corporations when the regulatory process is put in place.

Now, that just doesn't mean that we're doing this ourselves. In fact, this has been at the heart of a federal review initiated by Barbara McDougall some time ago. So I think all governments realize the fundamental changes that have taken place in financial institutions: the change in the contracts, the change in the deposit insurance, the change in the kinds of fundamental instruments these institutions are using. It has been a revolution, Mr. Speaker, and I think it's important that government regulation, government legislation catches up.

Specifically with respect to the Investment Contracts Act, I think most members, most Albertans would agree that it would have been difficult to change that Act while the Code study was on. I can assure the members that we're in the process of reviewing that legislation.

MR. CHUMIR: Well, perhaps at least the minister could tell us what the intention of this government is with respect to that Act, since it allowed a ludicrous 460 to 1 capital ratio for First Investors Corporation when other institutions in this province and other provinces were considered to be allowed a ratio of anywhere from 15 to 23 to 1. What are your intentions on that?

MR. JOHNSTON: I just answered that question, Mr. Speaker.

MR. SPEAKER: The Member for Athabasca-Lac La Biche, followed by Edmonton-Jasper Place, then Edmonton-Gold Bar.

### Alberta-Pacific Project

MR. CARDINAL: Thank you, Mr. Speaker. My question is to the hon. Minister of the Environment. I commend this government for the co-ordinated plan in social planning, economic planning, and environmental management -- we have the best in

North America, and I'm proud -- a plan that has created thousands of jobs and a plan that will continue creating thousands of jobs especially for northern Albertans who are unemployed, a plan that will reduce the deficit, a plan that will probably eliminate the deficit, a plan the opposition calls sweetheart deals. My question to the hon. minister is: will he give assurance to my constituents and this Assembly that the negotiations between the provincial government and the federal government in the area of environmental assessment processes and terms of reference are progressing as originally planned?

MR. KLEIN: Well, Mr. Speaker, there is no progression because the negotiations have been concluded. An agreement between the province of Alberta and the government of Canada has been struck relative to an environmental impact assessment process for the Alberta-Pacific project in Athabasca. I assume that this process is going to serve as a model for an ongoing review of the environmental impact assessment process for pulp mill projects down the road. We're very pleased to participate in this first of its kind model, and we hope that it will serve for full and complete environmental impact assessment processes in the future.

MR. CARDINAL: Mr. Speaker, my supplementary question to the hon. minister. Is this environmental assessment process still within the time line?

MR. KLEIN: Well, it will stay within a time line to be determined by the review board. We're anticipating that by the time the deficiency review of the environmental impact assessment documents is completed, perhaps by next week, and that information along with all the other documents is communicated to the board -- four weeks from that date they will be able to start hearings. The hearings are expected to take perhaps two weeks, and then their summation should take another two weeks. So the whole process from the beginning to the mid of next week should take about eight weeks total.

MR. CARDINAL: My final supplementary question, to the hon. Minister of Forestry, Lands and Wildlife. Will the minister give assurance to my constituents and to this Assembly that the small sawmill operators who are maybe suffering because of these forest management agreements will be considered before the agreements are signed and discussions have taken place? The specific small operators include St. Jean Lumber, Crawford lumber, Zilinski, Double R Forest Products.

MR. SPEAKER: Thank you, hon. member. You've asked the question.

MR. FJORBOTTEN: Mr. Speaker, the answer to that is yes. Also, I outlined for the Assembly some days ago -- I believe there were six -- guidelines that would be used in dealing with small operators. The first one was, as I recall, that their quotas are protected. The second one is that their timber management units have been set up, and they've been set up provincewide. Thirdly, a lot of that sawmill material from the forest management agreements, of course, will be made available to those small operators. Then the chips that they've really had no market for will now have a market. We've set up a reserve of up to 5 percent for the small operators in the area, and there have been entire management units set aside. So the small operators are

being advantaged by the forest management agreements, not disadvantaged.

MR. SPEAKER: Edmonton-Jasper Place.

### Environmental Impact Assessment Process

MR. McINNIS: Thank you, Mr. Speaker. I would like to acknowledge that the Minister of the Environment has made some improvements in the environmental impact assessment process. They're slow, they take a lot of time, it's painful, but there are some improvements. The minister has on several occasions outlined the process, which is, first, an environmental impact study that is prepared by the companies. Secondly, there's a deficiency review by the department; thirdly, hearings by the public or the citizens' review panel. After months of refusing an environmental impact assessment on forestry operations, the terms were suddenly changed to include timber harvesting as they may affect Indian reserve lands and to include cumulative impacts of effluent discharges in the Peace and Athabasca river systems. My question is a simple one. Who is preparing the initial impact statement in respect to forestry operations and the cumulative impacts of effluent on the two river systems?

MR. KLEIN: To the Minister of the Environment? And perhaps relative to the forestry aspects the Minister of Forestry, Lands and Wildlife might want to supplement. Relative to the cumulative impacts, that information will be prepared ostensibly by my department in conjunction with the environmental research council and the expertise that exists there. The data is pretty much available, because we know what the standards are relative to the effluent discharges of the pulp mills. It should be fairly easy for those who have the scientific knowledge and the expertise to bring that information together and to present it in a reasonable fashion to the review panel.

Mr. Speaker, relative to the forestry aspect the hon. minister may wish to respond.

MR. SPEAKER: He doesn't seem to wish to respond, so let's go with the supplementary.

MR. McINNIS: He doesn't seem to wish to respond.

MR. SPEAKER: Let's go with the supplementary, please.

MR. McINNIS: Yes. The supplementary is: I would like the Minister of the Environment, first of all, to ensure that this impact statement will be available to the participants in the hearings in sufficient time so that they can study this document we've just referred to prior to the hearings.

MR. KLEIN: Well, Mr. Speaker, we will try to make all available information available to those who wish to participate in the process. That's what the process is all about, to have a full and complete and honest airing of this particular matter.

MR. McINNIS: What everyone wants to be sure of is that the material's there in time.

I'd like to ask the minister of forests, in view of the fact that we're now having an environmental impact assessment of forestry operations as it affects Indian reserve lands, if you could explain why we can't have one that affects all of the lands

that are involved in the area and whether his department will have a study as well.

MR. FJORDBOTTEN: Mr. Speaker, it's very easy to explain why it's not involved in this particular process. The resources belong to the provinces. That's spelled out very clearly in the constitution, whether it be oil and gas or whether it be forestry. Of course, the federal government has some jurisdiction with respect to that if it's on federal lands or if it is on Indian reserves. So, of course, that part would be included.

I don't think I have to rehash for the Assembly the statement that I've made before about -- there have been two environmental impact studies done on forestry operations in Alberta. One was done in 1973 by CD. Schultz, which said that it found the logging practices environmentally acceptable with a couple of exceptions, which we have dealt with. There were also full ECA hearings held in 1978 and 1979 on forestry operations with respect to the environment. Some 90 percent of the recommendations that were made have been implemented. Some of them were outside of our mandate and couldn't be. Others are still being looked at to see if there's a way they can be made compatible.

We care very much, Mr. Speaker, about the environmental concerns of logging operations and the health concerns for Albertans and for others. If we were to hold an environmental impact assessment on forestry operations, we'd have to hold one a year because it changes in that way. There is a lot of opportunity for public input, and we will modify and change and improve, in any way we can, forestry operations, taking into account the concerns for the environment.

MR. SPEAKER: Edmonton-Gold Bar, followed by Red Deer-North, and then Edmonton-Kingsway.

### Code Inquiry Report (continued)

MRS. HEWES: Thanks, Mr. Speaker. It's evident that the deferrals and the posturing of the government regarding the Code report are patronizing to Albertans. The people of the province are sick and tired of evasions and dissembling, including those of the Provincial Treasurer. It's remarkable, but the Treasurer is becoming known as a master of the new science of "fuzzification," whether we're talking about his financial statements or his baffleleg. There are a number of factual matters, however, where Albertans deserve clear answers, and I believe the Treasurer should give them to us. The first question I have: is the Provincial Treasurer now prepared to disclose how much Albertans paid to lawyers for the Cormie family, and I assume that information has been discovered by now.

MR. JOHNSTON: Thanks for the compliment, hon. member. Let me say, Mr. Speaker, that question was asked already. We have already indicated that at some point we'll provide that information.

MRS. HEWES: Clear answers in that.

Mr. Speaker, perhaps the Treasurer can take a run at this one. Does the Premier's promise to reimburse investors if the government is found negligent include the 4 percent interest guarantee as well as the principal? They need an answer.

MR. JOHNSTON: Again, Mr. Speaker, the member would have to be more specific as to what she's talking about.

MRS. HEWES: Mr. Speaker, it's very clear what I'm talking about.

The next question, Mr. Speaker, is to the Provincial Treasurer. Where is the Treasurer going to get the money to pay off the contract holders? Now, that's a simple one; that should be an easy one to answer.

MR. JOHNSTON: Well, Mr. Speaker, here you see the example of a member who really doesn't understand the process at all. She stands up and makes the kinds of false accusations that are typical and unfortunately now becoming more typical of her. She doesn't have to be insulting or caustic or petulant or truculent to get the point across. What she has done is just that. Let me say that I'd rather be known for doing something for this province than be known for doing nothing, as she is. What we are doing now is providing the very best opportunity to review this Code report, to put in place one of the finest responses that you will see, but we're going to take our time to do just that, Mr. Speaker, and nothing is going to change us from that course of action.

MR. SPEAKER: Red Deer-North. Thank you.

### Degree-Granting Status for Colleges

MR. DAY: Thank you, Mr. Speaker. My question is to the Minister of Advanced Education. Today, as we speak, some 8,000 students have registered for approximately 4,000 positions at Red Deer College this September. A significant portion of those registrants are in university transfer programs and make up a large number of students who would prefer to be staying in central Alberta to finish off their degrees. Can the minister indicate to us today: where in his list of priorities is the request from Red Deer College, from Red Deer city MLAs, from central Alberta MLAs, from central Alberta chambers of commerce, and from the citizens of central Alberta that Red Deer college would become a degree-granting institution?

MR. GOGO: Mr. Speaker, obviously, obtaining a university degree is very important not only to many students but parents and taxpayers as well. I said earlier, I believe on June 12, that I was visiting each of the 29 institutions in Alberta, that being one of the items that I was most interested in, and at the conclusion of my visits I would come to probably a conclusion as to whether or not public colleges in Alberta should be granting university degrees.

MR. DAY: A supplementary to the Provincial Treasurer, who enjoys the benefits of a degree-granting institution in his own city. Can the Provincial Treasurer indicate to us: has he given any indication to the Minister of Advanced Education or to Red Deer College or to anyone, for that matter, that there are any fiscal challenges which would prohibit Red Deer's request from becoming a reality?

MR. JOHNSTON: Mr. Speaker, of course, I do not want to get into the domain or jurisdiction of the Minister of Advanced Education, talking about whether or not that's a meritorious objective. I assume that at some point we will have that debate. I

should say that my brief experience has been that these institutions are very much up to speed and, in fact, in comparisons of our advanced educational systems at the college level with universities in other provinces our colleges are in fact extremely competitive, if not much more effectively facilitated than those universities in other parts of Canada, simply showing our commitment of funding to the advanced educational system in this province.

Now, Mr. Speaker, I know that if the Minister of Advanced Education wants to bring forward a recommendation which would move toward some sort of degree-granting status for colleges, as we have done with the private colleges already, he would do it on a gradual basis, taking full recognition of the demands on the Treasury. I know on that basis alone that we'd have a reasonable approach on the funding side. It wouldn't be immediate; it would be gradual and well thought through.

MR. DAY: A supplementary to the Minister of Advanced Education, Mr. Speaker. Can the minister tell us in light of the Treasurer's comments on effectiveness, which Red Deer College certainly is in fiscal management: has the minister received any opposition to this request from existing degree-granting institutions in the province?

MR. GOGO: Well, Mr. Speaker, we do have a Universities Co-ordinating Council. One of their tasks is to review that very subject as to who should or should not grant degrees. I would point out that one has to consider not only the institution but the student. A fundamental question would be: if colleges grant degrees, do you change the natural success of that college as to being a partial university? Secondly, is it in the best interests of a graduate from a community college going on to McGill University, that is recognized as having had a degree from Red Deer College -- is that in the best interests? These are some of the questions that go into the makeup. Finally, I have a great deal of reassurance from the Provincial Treasurer that if and when my department seeks that, it's going to be favourably received.

MR. SPEAKER: I'm sure both members from Lethbridge can talk to each other on the airbus back home to Lethbridge about this.

Edmonton-Kingsway.

### **Code Inquiry Report**

*(continued)*

MR. McEACHERN: Thank you, Mr. Speaker. Mr. Code said of Mr. Saleh, the superintendent of insurance under Connie Osterman, that he was not allowed by the minister to enforce the Investment Contracts Act. Code did, however, blame Saleh and in fact called him dishonest for making a wording change to the so-called guarantee on the back of the investment contracts. Does the Treasurer admit that changing the words of the guarantee from the company holds assets equal to 100 percent of its liabilities to the Investment Contracts Act requires the company to hold assets equal to its liabilities -- does he agree that that change makes the Alberta government complicit in the defrauding of innocent Albertans?

MR. SPEAKER: We're back to the matter of legal opinions.

MR. JOHNSTON: Again, Mr. Speaker, I think you have taken the words out of everyone's mouth.

MR. McEACHERN: Are you suggesting that the people don't have the right to expect the government to enforce the regulations?

MR. SPEAKER: Hon. member, before the Provincial Treasurer responds to that question, the first one was clearly out of order under 408(1)(c) in *Beauchesne*, and that's the member's responsibility.

Provincial Treasurer, with respect to the second question as asked . . .

MR. McEACHERN: Everything is out of order.

MR. SPEAKER: Thank you; you're out of order.

Provincial Treasurer, if you wish to respond to the second question.

MR. JOHNSTON: Mr. Speaker, let me say that again we will be in the process of reviewing our responses. Obviously, we have to factor in everything Mr. Code said about the regulatory failure.

I do hesitate, however, to proceed further with respect to this particular line of questioning. I'll seek the advice of my colleague the Attorney General, but in fact it seems to me that the kinds of false statements that have been referred to by the questioner may well be the subject of the federal jurisdiction's criminal charges against the Cormie group.

MR. McEACHERN: Mr. Speaker, the changing of the words on that guarantee was one of the strongest pieces of evidence that this government was negligent and that it puts the interests of its friends and its own image ahead of that of ordinary Albertans.

In coming to its decision about the compensation for negligence, will this government consider the weight of that argument in a court of law if it comes to that?

MR. JOHNSTON: Mr. Speaker, a three-part question. First of all, as I have said previously, there's one thing I can comment on with respect to the Code report, and that is that the early assumptions, before the inquiry was put in place, that there was some sort of direct relationship between the government and the Cormie family -- although that was rumoured and speculated and at the heart of some of the criticism and certainly the opposition's viewpoints, I make it very clear that Code did not find any connection between the owners of the Principal group and the government. That statement is in fact out of order.

MR. SPEAKER: Westlock-Sturgeon.

### **Pork Producers' Concerns**

MR. TAYLOR: Thank you, Mr. Speaker. My question today is to the minister of economic development. The ongoing saga of the provincial government's involvement in the financial affairs of the Pocklington and Gainers empire has created a great deal of cynicism in the public and a great deal of concern, particularly amongst the pork producers. In particular, as the minister well knows, the agreement between Gainers and the pork board



for the purchase of hogs has expired. Now, my information is that the government has asked the pork board to help subsidize Gainers before they can sign an ongoing contract. Is that, indeed, the case? Is the government asking the pork producers to subsidize Gainers in the new contract?

MR. ELZINGA: Mr. Speaker, that question would be more appropriately put to the Minister of Agriculture, who's so closely involved with the affairs of our pork producers in the province of Alberta. I must indicate to the hon. member, though, that I would find it highly unlikely that at any time would we ask the producers of this province to subsidize anybody.

MR. TAYLOR: Well, Mr. Speaker, if I may switch just a bit if he's going to refer to the Minister of Agriculture, but this is also within pork production and well within his ambit. Is he aware that the appeal against the tariff by Americans on our processed pork has been turned down and that one of the main reasons it's been turned is due to the Crow benefit offset paid by the provincial government of Alberta? Is he aware of that?

MR. ELZINGA: Mr. Speaker, the hon. member, I'm sure, is aware that there is a further step as it relates to the appeal process as it relates to the countervailable action that is against Canada and our pork producers. We're very closely involved with that. In fact, in my former responsibilities we had the Department of Agriculture involve themselves in offering support to the pork producers of the province of Alberta, because I think it's highly unfair for the U.S. to suggest that we have subsidies in place in this province that are not applicable to the U.S. producers themselves. We have received the assurances from the federal government, the Deputy Prime Minister and the minister of trade at the federal level, that they are going to involve themselves in this discussion so that they can protect the producers of this province and of this country.

MR. SPEAKER: The time for question period has expired. Might we have unanimous consent to complete this series of questions?

HON. MEMBERS: Agreed.

MR. SPEAKER: Opposed? Carried. Thank you.  
Final supplementary, Westlock-Sturgeon.

MR. TAYLOR: Mr. Speaker, for the information of the minister I would like to table the U.S. ruling here. It makes it quite clear, whether or not it's unjust, that the Americans have already said that the pork cannot come in.

SOME HON. MEMBERS: Question.

MR. TAYLOR: So what is this minister and what is this government going to do? With those yapping ones along with you; I don't know if they're any help to you or not. But what is this government going to do?

MR. SPEAKER: Thank you, hon. member. We got that fan what's this government going to do? Thank you. [interjection] Park your pork, please. Thank you.  
Hon. minister.

MR. ELZINGA: Mr. Speaker, as is the tradition in this Legislative Assembly, the hon. Member for Westlock-Sturgeon is usually incorrect as he is incorrect this time, whereby the U.S. have not stopped the entry of our pork into the U.S. markets. What they have done is imposed a temporary tax measure upon the pork that is going into the U.S., and I stress the word "temporary" because there are still hearings taking place. In the event they find that there are not subsidies of a substantial nature within the province, that will be returned to the producers of this province, and we're working closely with the producers of this province to offer the assurance to our U.S. counterparts that that is not taking place.

MR. SPEAKER: There's a request under Standing Order 30. Westlock-Sturgeon.

MR. TAYLOR: I'm sorry, Mr. Speaker, I'm not trying to tell you how to do your business, but does a point of order come before the . . .

MR. SPEAKER: What point of order?

MR. TAYLOR: I thought there was one. It was right beside me; that's why I heard it.

MR. SPEAKER: The answer to the question is yes, when the Chair's informed that there is one.

The Chair obviously has been informed there is one. Calgary-Buffalo.

MR. CHUMIR: Yes. I did raise the point of order very promptly, just after you ruled the final question of our . . .

SOME HON. MEMBERS: Leader.

MR. CHUMIR: Hold on. What was that?

It relates to the third question asked by the leader of the Liberal Party. The question asked by the Member for Edmonton-Glengarry was of the Provincial Treasurer, and he indicated he had asked the same question that he asked of the previous questioner. The Treasurer stood up and asked . . .

SOME HON. MEMBERS: Citation.

MR. CHUMIR: The citation is section 13 of *Beauchesne*: "The Speakers' rulings . . . constitute precedents . . ." [interjection] That's right, because I'm going on precedent, Mr. Speaker.

The Treasurer asked the Member for Edmonton-Glengarry to repeat the question. Now, maybe the Treasurer didn't hear the question. Maybe he forgot the question. Maybe he wasn't paying attention. But the question that was asked was clear, and it's the clear custom of this House to allow the question to be repeated when the questioner says: "I haven't heard the question; I don't know the question. Please repeat the question." It's my clear recollection a number of times that it's the custom of this House as a courtesy to the minister. So I've stated it previously and I state again that we ask for evenhanded enforcement of the rules. I raised this same principle 10 days ago. It's a principle, I think, that's fundamentally important, and it's so obvious that it shouldn't need repeating.

MR. SPEAKER: Thank you, hon. member. Number one, you did not raise exactly the same point 10 days ago, and you should check the record as well. At that occasion the question was taken away from the member for a different reason.

What indeed did occur was the matter that the Member for Edmonton-Glengarry did ask the original question, and then on the second supplementary the Treasurer did not give supplementary information, and then on the third supplementary the Member for Edmonton-Glengarry said the same question to the Provincial Treasurer. The Chair could only assume that the Provincial Treasurer had indeed been listening to what the line of questioning was in terms of the whole issue.

MR. DECORE: He asked that it be repeated.

MR. SPEAKER: Thank you; we'll do this without being interrupted, hon. Member for Edmonton-Glengarry.

At that time, and we could check *Hansard* record, the Chair did not hear the Provincial Treasurer say he wanted the question repeated, but chose not to respond. At that stage, well, he made some comment about having the question asked again. Nevertheless, it was the responsibility of the Treasurer to be listening to what was going on. If he chose not to answer, then that's his own decision in that regard.

It's been coming up time and time again about demanding answers to questions or saying that the answers aren't good enough. I would refer hon. members to Replies to Oral Questions, *Beauchesne* 416(1) and (2). And the final thing in this regard: I understand the complaint of the hon. member in terms of trying to get more information, but that's part of the ebb and flow of question period.

Finally, it is a curious occurrence at this stage of this Legislature to find that the Member for Calgary-Buffalo is standing up to make representation on behalf . . .

MR. DECORE: He's a good lawyer.

MR. SPEAKER: . . . of another good lawyer in the House, the Member for Edmonton-Glengarry.

Standing Order 30, the matter of Westlock-Sturgeon.

#### head: **Request for Emergency Debate**

MR. TAYLOR: Mr. Speaker, I hesitate to stand up between two good lawyers and behind another one, but I'd thought I'd bring out the fact that Standing Order 30 -- I would ask the Speaker to allow a special debate to go ahead on the Code report, as it did yesterday.

Without taking too much of your time, Mr. Speaker, and the House's time, the arguments for the necessity and expediency today I think are exactly the same as they were yesterday. But in addition to the fact that the emergency still exists if it existed yesterday, and there again trading on your precedents, there is the additional factor that many of the MLAs on both sides of the House were not able to participate in the debate yesterday in spite of the dispatch and the well-run nature of the debate, Mr. Speaker. There were still, just because of the nature of the time constrictions, many that couldn't participate. The last argument is that as you will recall, yesterday many people mentioned that they couldn't get copies of the report. They hadn't been able to read the report. That has given an extra 24 hours for more copies to have circulated, more people to have read it.

So I would ask your indulgence, Mr. Speaker, or your ruling that it is indeed a matter to go ahead.

MR. SPEAKER: Thank you, hon. Member for Westlock-Sturgeon, for giving the appropriate notice to the office of the Speaker in sufficient time. However, under Standing Order 30 the Chair has no recourse but to bring into play Standing Order 30(7)(d):

(7) A motion under this standing order is subject to the following conditions:

(d) the motion must not revive discussion on a matter which has been discussed in the same session pursuant to the provisions of this standing order.

Therefore, the request fails.

### ORDERS OF THE DAY

#### head: **WRITTEN QUESTIONS**

199. Mr. McInnis asked the government the following question:

- (1) What is the government's best estimate of the tonnage of paper, including stationery and envelopes, acquired and used by the government, exclusive of Crown corporations, boards, commissions, and agencies, during the most recent fiscal year from which these estimates may reasonably be derived?
- (2) What is the government's best estimate of the cost of that paper?
- (3) How much recycled paper or paper products were used in that fiscal year?

MR. KOWALSKI: Mr. Speaker, the government will accept Question 199 in the absence of Mr. McInnis.

#### head: **MOTIONS FOR RETURNS**

MR. HORSMAN: I move that motions for returns other than motions 188 and 189 stand and retain their places on the Order Paper.

MR. SPEAKER: Having heard the motion by the Government House Leader . . .

REV. ROBERTS: Can this be debated, or not?

MR. SPEAKER: Is this a debate?

REV. ROBERTS: Yes.

MR. SPEAKER: All right; thank you. If this is with respect to this motion, thank you. Edmonton-Centre.

REV. ROBERTS: Yes, Mr. Speaker. It's with respect to my Motion for a Return 186 which, if it doesn't come today, is so time sensitive, given that Health estimates are tomorrow morning, that it will basically be redundant. I have not had any official explanation as to why this has not been accepted. I think it makes only good sense that it ought to be, insofar as it was the practice in the government budget estimates up to a year ago, when all of the detailed allocations for particular hospitals were referred to. They took that out last year. This year I've asked

that it be provided to me before the debate on the budget for the Health department tomorrow.

I'm most disappointed, Mr. Speaker. This is the largest allocation of operating dollars that proceeds in the province, and we're getting less and less information about it. We tolerated it last year, it's happened again now this year, and I think it's just intolerable not to be accepted. If the government has over the last 12 to 15 years been able to provide this information, I'd like to know what has changed that makes them not be able to provide it any longer. So I very much regret that the return has not been forwarded nor any official explanation. I think this kind of secretive hiding of knowledge is entirely regrettable for us to do our business in the Legislature, and I intend to make further comments about this tomorrow during the Health estimates and in future, if it continues to be the practice.

MR. SPEAKER: Does the minister wish to sum up?

SOME HON. MEMBERS: Question.

[Motion carried]

188. On behalf of Mr. McInnis, Mr. McEachern moved that an order of the Assembly do issue for a return showing a copy of sampling data and all reports prepared on sampling data respecting water quality and aquatic biology in the Peace River since January 1, 1972.

MR. KLEIN: I wish to propose an amendment to Motion 188, to insert the word "completed" after the word "all."

I see that the hon. Member for Edmonton-Jasper Place is not here. I've discussed this matter with him, and he said that he's willing to accept that amendment; that is: ". . . a copy of sampling data and all completed reports . . ."

MR. SPEAKER: Does that seem agreeable to the caucus? All right. Thank you.

[Motion as amended carried]

189. On behalf of Mr. McInnis, Mr. McEachern moved that an order of the Assembly do issue for a return showing a copy of sampling data and all reports prepared on sampling data respecting water quality and aquatic biology in the Athabasca River since January 1, 1972.

MR. KLEIN: Mr. Speaker, likewise, I wish to propose an amendment to Motion 189, to insert the word "completed" after the word "all." Likewise, the hon. Member for Edmonton-Jasper Place has agreed to this.

[Motion as amended carried]

#### head: **MOTIONS OTHER THAN GOVERNMENT MOTIONS**

207. Moved by Rev. Roberts:

Be it resolved that the Legislative Assembly call on the government to impose a five-year freeze on any new planning of construction of new active treatment hospital beds and that during that period the government conduct an inventory of existing health care facilities, analyze the

health and economic impacts of capital spending on hospital construction, and develop proposals aimed at improving the co-ordination of services between existing hospitals.

MR. SPEAKER: Edmonton-Centre.

REV. ROBERTS: Thank you very much, Mr. Speaker, members of the Assembly. It's good to get to this Motion 207 which I'm sponsoring. I think it provides for a good deal of lively debate, bringing to members' attention a number of concerns which Albertans have expressed to me and I know to other members during the past election, and even up to today, about the nature of hospital planning, operating, and the future of health care and hospitals in our province. I'm very pleased to be able to present this motion on behalf of many Albertans who have spoken to me about precisely this kind of concern which is contained in this motion. I think it gets at the root of many of the health issues and I think provides us now, Mr. Speaker, an opportunity to look with a clear direction at where health care and where particularly our hospital sector among the health care system needs to be going and to be able to outline some goals and some directions that are going to benefit the overall health not only of the system but of the health status of Albertans throughout the province.

[Mr. Deputy Speaker in the Chair]

I would, before I offer my debate in support of the motion, like to make sure that members have read it and clearly understand its intent. There are a number of different parts to it, Mr. Speaker, but I'd just like to at the outset draw members' attention to the precise intent: it's to call on the government to impose a five-year freeze. Now, that is admittedly somewhat arbitrary. It could be three years, four years, five years, six years, and if that's a matter of debate for some members, I'd welcome it. I've picked five years because I think that would be an opportunity for a period during which the kind of planning you need to do could well go on. Then, of course, it's asking that a five-year freeze be placed on any new planning of construction of new active treatment hospital beds.

Now, again we want to be very clear here what we mean. This is not, then, to freeze out or to turn back any plans that are already on the books, any construction that's already been approved either in design or in principle, any construction which is already under way, of course, such as at the Glenrose hospital and other places throughout the province. This isn't talking about any of those kinds of things at all. It's talking about new planning of new construction. I think that needs to be made very clear and brought home to people, that what we're calling for is a freeze in terms of that planning stage. Certainly, honourable people want to honour the commitments that government has already made to various boards throughout the province. Then, of course, I want to draw attention to the fact that it is in reference to active treatment beds. Now, there's been some confusion. Some people think this is referring to long-term care beds or nursing home beds. It's nothing of the sort. It's precisely restricted to acute care, otherwise known as active treatment hospital beds.

Then, Mr. Speaker, the motion goes on to say that we don't just want to freeze new planning and do nothing during this interval of five years, but rather take our resources, take our time,

and do some new things. I've cited three of them here. One is to do a complete inventory of the existing health care facilities that we do have in the province, and I'll explain more about that later. Secondly is to do what I've begun to see almost as -- we talk about it with these forestry and pulp mill projects; we do environmental impact assessments. This might say let's do a health and economic impact assessment of the kind of hospitals and hospital construction policy that we have. What is its impact on the health status of the people? What is its impact on the economic status of the environments in which the hospitals are constructed? I think that's a very important aspect. It's been alluded to in debate several times. I remember the former Member for Calgary-North West talking about the economic impacts of the health care industry. I don't think we've discussed that much, and this is an opportunity to do that kind of thing.

Then, finally, Mr. Speaker, it's calling, during this five years, to really develop -- whether it's with the Hyndman commission, members of government, members of the Liberal Party, members of our own caucus, or people throughout the province -- to really look seriously and creatively at proposals which would be aimed at improving the co-ordination of services between already existing hospital resources. I think, Mr. Speaker, there's no end of the kinds of creative proposals which can help to improve the co-ordination. We need to do that urgently.

So I hope I've clarified for members precisely what's intended by this Motion 207 before us. In support of it, Mr. Speaker, I'd like to offer members some facts, some background information which I think really jumped out at me as I've discovered it from a number of different sources. I think I'd like to get on the record some of what has been the record over the last 10 years in terms of hospital construction in this province. It's a record which I think we can not only be somewhat proud of, but we need to be somewhat cautious of as well.

Over the last 10 years -- that is, since 1979 to '80 -- we in our research department have calculated exactly how much has been allocated to the building of capital construction in the hospital sector. Mr. Speaker and members of the Assembly, it is quite a staggering amount of funds. It exceeds \$2.5 billion, \$2.5 billion dollars over the last 10 years which has been spent constructing and providing capital equipment for our hospitals in this province. Now, that's a figure I don't just want to leave out there. I want to provide a certain context in which we can look at that figure, Mr. Speaker.

Over the same period of the last 10 years it's interesting to note that, on average, Canadians in other provinces spent 4.8 cents of one health care dollar on capital construction. We in the province of Alberta over the same period exceeded that by almost twofold. It was 9.6 cents of every health care dollar that went to capital construction and equipment. Again the Canadian average on a per capita basis, Mr. Speaker, I think is interesting to point out. Over the last 10 years the Canadian average in other provinces was \$515 per capita for the construction of hospitals. The province of New Brunswick was the second highest province in terms of capital spending, and they spent \$599 per resident of that province. We in the province of Alberta, Mr. Speaker, during that same period spent a grand total of \$1,163 per Albertan on hospital construction. Again, that's over twice the national average and almost twice exceeding the province next closest to us, the province of New Brunswick. A staggering \$1,163 per capita on hospital construction.

I'm going to argue later the incredible responsibility that

means, because as we know, you can't just build a hospital. You just can't construct buildings and facilities in capital dollar ways and expect to leave it at that, because what happens, of course, is that for every \$1 in capital construction, you must plan to allocate at least 50 cents for every year to operate that capital dollar. I'm going to get into that later on.

Taken from a bed point of view, Mr. Speaker -- and of course in the industry, in the health care sector, everyone looks at the number of beds that there are in hospitals as a measure of what a hospital's about. It may or may not be an accurate reading of it, but again it's a way that we need to be cognizant of. We now stand at a total of beds per thousand population -- we in the province of Alberta currently have over six active treatment beds per thousand. The Canadian average, again I say here, is currently four active treatment beds per thousand of the population. We in Alberta stand at a level of over six.

I bring this to members' attention because I also want to echo the historic words of the former Minister of Hospitals and Medical Care, Mr. Speaker. Because I know if he were here today, the hon. Mr. Moore, he too would be supporting this motion, because this motion is basically saying we need to reduce the number of beds per thousand from six on downward. We can't add any new beds. We can't go up to six and a half or seven. We can't add any new beds, this motion is saying. We need to bring it down. In fact, Mr. Speaker, the former Minister of Hospitals and Medical Care said in the House here on May 6, 1987, over two years ago, at page 1051 of *Hansard*:

I announced last November at the annual meeting of the Alberta Hospital Association [that we in Alberta have] a new target of some 4 acute care beds per 1,000 in Alberta.

Well, I can rest my case right there, Mr. Speaker. I know from that that the minister at that time is reflecting what I've tried to put in a larger motion here: that we can't add any new beds. We can't go beyond the six or six point five beds per thousand; we have to bring it down. The national average is four. Mr. Moore at that time said four is acceptable. This motion would help to do that, Mr. Speaker, very well indeed.

As I pointed out before -- again I had a debate with the former minister over this, and he was very forthcoming when, as I said, I asked him: what is the formula that the department of hospitals uses for planning purposes when they go and build a hospital? What do they figure it's going to cost to run? Now, there used to be a time, Mr. Speaker and members of the Assembly, when you'd build a hospital, say it was a \$100 million hospital and you could roughly allocate that a \$100 million hospital would cost a third of that, \$33 million, a year to run and operate, \$33 million a year for a \$100 million hospital. It has now been revised upward, and I know the former minister said that for his planning purposes; in the department, they are now calculating this at at least 50 percent. So if you build a \$100 million hospital, you can guarantee that it's going to cost \$50 million per year each and every year henceforth for operating that hospital.

I think, Mr. Speaker, again, that's the reason why we have enough. We've spent this \$2.5 billion in capital construction. If we have this formula of 50 cents operating for every \$1 capital, it adds further weight to the sense that we just have an overbuilt system and we just can't even begin to afford the increasing costs of maintaining and operating those beds. And I might add that the figure is going up. It was a third; it's at 50 percent; it might even go up beyond that.

I'd then like to point out for members, Mr. Speaker, again on

this bed business, the fact that it would be hard to argue -- and I know many people I talked to at the doorstep during the election agreed almost right away. They said that it's very hard to argue that we need to build a new hospital bed when in fact we have hundreds of hospital beds in the province already closed down. It makes good sense to say we have . . . . In fact, when the budget cutbacks came in December of '87, at that time there were 836 hospital beds which were closed down. Hospitals said, well, given that budget we're getting, we can't afford to open this wing or that wing or the next wing. So they began to close beds, and 836 beds were closed at that time, Mr. Speaker. We tried in our research to determine from the hospitals how many of those 836 are still closed now. It came in at a figure of about 600. It might be because they are seasonally adjusted; during the summertime, beds close as well. But it seems, again, that it's very difficult for anyone to argue, and most Albertans can understand that what's the point of building new hospital beds in the system when we have existing beds which are already closed because of a lack of operating funds?

Then I'd like to ask members if they know how many beds throughout the system, whether it's in the Rockyview in Calgary or in Mill Woods here in Edmonton or in other hospitals, have actually been built in hospital facilities which were actually never opened, have never yet been used? It can't be said that we've closed them, because they were built but never officially opened. We again tried to dig into that figure, Mr. Speaker. It appears to us that there are at least over 125 of those such beds in the province right now. They're ready to use, they've been built, they've been constructed, but they've never been officially opened. Certain wings here and wings there, and the argument is: "Well, we overbuilt," or, "We didn't realize the population was going to decline here or there. It's good to have them on hand now so that we can open them when we need to." Well, that might be an argument, but we still need to point out with this motion that we have beds already built, already existing, which have never officially been opened.

I don't want to get into the combination of those, the number of beds which were opened and then closed, which is what I think happened at Ponoka, for instance, when there was a certain number of beds which were opened and then they realized that, with the budget, they couldn't operate them all, so they had to close a certain number of them. They are probably open again now, given the increase in the budget, but that has happened again throughout the system.

Then we need to look also, members of the Assembly, at the occupancy rates of beds that we have in the system right now. I mean, I know we need to have beds on hand. You never know when there's going to be an epidemic or some great disease which might sweep the province. But it's good, again for planning purposes, to know what percentage of the beds currently open, currently operating, are in fact occupied over a given month or a given year. Now, we know that in some hospitals they run an occupancy rate of 60, 70 percent. I think, in fact, the provincial average is around 70 percent. There are some hospitals -- in my constituency the Royal Alexandra, for instance, is at 98 percent occupancy level. There are some hospitals which are as low as 40 percent, Mr. Speaker. And again I think we need to really take a look at the occupancy levels to tell us what that's saying about what beds we need, where we need them, and how we can better handle the beds we have. We'll get to that in the second part of the motion.

Then I'd like to know -- and again I'm sorry; the previous

minister who, I think, took one of the initiatives that I first suggested, would say: listen, we have acute care beds; it's not going to be an easy matter, but if we're skillful, if we can get some funding, then what can we do to convert those acute care beds to long-term care? Because we now have a vastly rising number of elderly people who need long-term care beds. We have acute care; what would be involved in converting that acute care bed to long-term care? Now, it's a very dangerous business to get into in some respects, as we know. An acute care bed was one where it was planned the patient would be in that bed for no more than, say, 10 days. The average length of stay in an acute care bed is 10 days. Now, the average length of stay in a long-term care bed is 10 months. You don't want to put someone for 10 months in a room that was designed to have them only 10 days. You need very much different kinds of amenities and so on.

So it's not an easy business, but the program was begun. It was announced in the throne speech over two years ago, and I know the previous minister was actively trying to do this with various MLAs. I'd like to know how many beds in fact have been converted and where we're at with that. Because that's again going to bring the ratio of acute care beds per thousand down somewhat. But overall, again say to us, if we're converting active treatment beds to long-term care, how can we possibly then argue that, by the way, we need some new acute care beds here, because for all these reasons we're seeing how we're trying to downsize the acute care system.

Then, of course, what has come to all of our attentions in such dramatic fashion over the last year and a half is that, you know, Mr. Speaker, as the previous Minister of Community and Occupational Health said, it's not a matter of bricks and mortar. Bricks and mortar in health care -- it gets very dangerous because you can build a hospital, you can put the beds and all the capital equipment in there, you can spend this \$2.5 billion, but who do we need to operate those beds? We might not even have the patients, but we need nurses, Mr. Speaker and members of the Assembly. We need nurses to operate those beds. It's a simple matter, and it's a very dramatic understanding that we have now, that there just aren't the numbers of nurses to keep those beds open, that in fact the nursing shortage is going to have a dramatic impact on the kind of beds which we can build and keep operating.

Already we've seen in the intensive care system -- at the University of Alberta hospital, for instance, the director of nursing said: "Well, we're going to close some intensive care beds. Why? Not that we don't have the money, not that we don't have the cardiac patients lined up; it's because we don't have the intensive care nurses to keep those beds open and going." That's happening in intensive care; I've heard it's happening in psychiatric care; it's happening in geriatric care. It begins to happen throughout the system, with nurses saying: "No, we've had it. We can make some more money elsewhere. We don't want the stress. We don't want the indignities that we go through." If there's going to be an increasing shortage of nurses, that's going to have a dramatic impact on the building of any new beds or, particularly, even operating the beds we already have.

So, Mr. Speaker, I think for these very strong arguments, the fact that by the Canadian average we are way over in terms of capital spending -- in fact, in terms of beds per thousand we're over, and the previous minister said yes, he agrees that we have a need to have a new target, which is to reduce it, not to add to it

-- the fact that it costs a lot to operate these beds, the fact that we're already converting beds, the fact that we have unused beds, the fact that we can't look to a great supply of nurses to operate any new beds . . . All of these arguments, I think, are very penetrating ones, very real ones which seem to say to us very clearly on this day in 1989 that the Legislative Assembly should say: let's hold on a minute. Let's take our breath in terms of any new capital construction, adding new beds to the system. Let's see what we can do over the next five years in a more creative way to deal with the health care system in the hospital sector than just adding, adding more and more to it and building even greater empires than the ones which we have, in some respects, crumbling around us already today. Hence the need for what I say is a four-year, five-year, six-year freeze -- whatever you want -- but an essential period just to hold off, take our breath, and do some more reasonable, more creative things.

As I say, Mr. Speaker, it's hard to argue against it because the previous minister has said this is the intention of government. The current levels of capital spending -- we'll get to that perhaps next week or the week after when the capital budget for hospital construction comes up -- are already down this year 33.5 percent. So I think government has seen the fact that we need to, if anything, downsize it. Capital spending is down. I would like to argue that again we need to put our dollars or emphasis for the big "H" in the middle of town, not to be an "H" signifying the hospital but an "H" indicating where the health unit is or where the home care people are. Because obviously that's the direction very clearly we need to move into, and that's again coming slowly but surely.

The Hyndman commission. Interestingly enough, Mr. Speaker, when I put this motion in, some said: "Oh, this is going to cause big trouble. You know Albertans, particularly the Conservatives, aren't going to like this." But I don't think that's true. The Hyndman commission, the former Treasurer, together with Alex McPherson, the former deputy minister of hospitals -- the study isn't out yet, but already we have some indication in recent times where Dr. McPherson has said that in the 1990s -- and though I might be run out of the province for this -- health is going to depend more on environmental and social factors than it is on the building of more hospitals. Health care is going to depend more on environmental and social factors than it is on the building of new hospitals. Well, if that's coming from the Hyndman commission, the deputy commissioner and the former deputy minister of hospitals and others from that shop, then I think members should really take our cue from that and say, yes, this is the direction we're moving in, and get even a jump on what the Hyndman people are going to be saying to us.

I know it's going to mean some sacrifices. I know that there's going to be some MLAs and some people that are going to say: "Well, I don't know. You know, it's a nice thing; it's a glitzy thing. It's still going to be in my backyard, going to be a big vote-getter. It's going to be a great thing to have." Well, I don't know if that's entirely true anymore, Mr. Speaker. I know from my own experience that when I first was moving around Edmonton-Centre there was a big dispute about what to do with all the acute care beds at the Edmonton General hospital downtown. And I still agree that the biggest argument for not having moved it as soon as they did was the fact that it has left emergency care downtown in a very desperate situation. Nonetheless, I said very clearly that the need is for long-term care, the need is for geriatric care; let's do what we can to turn the

Edmonton General hospital program downtown into a world-class geriatric centre. I issued a news release to that effect in December of 1987. I got a lot of criticism about it in my own constituency, but also a lot of support for it. In fact, it was the direction which government finally moved toward.

So it meant a sacrifice, it meant some trade-offs, it meant basing one's political statements on where the needs are and where the vision is of where we need to be going. I could have been very content and said, "Oh no, we've got to keep our hospital at all costs, and put all these beds in." But no, I think in compassionately looking at what the need is and where the vision needs to be going we need to make some sacrifices and look at what the trade-offs are, and it isn't always going to mean that we are going to get our own little hospital where we want it, when we want it.

So for five years I've said, Mr. Speaker, that instead of building more hospitals, let's do some of these more creative things. The first thing I've said is let's just do an inventory of what we already have in the system. You know, I've been around and visited almost as many hospitals as the Minister of Advanced Education has schools of learning in the province; I've been to almost every one of them, I believe. And when I look at them I say, well, that's interesting; I mean, there are some operating rooms here which aren't being used; there is a swimming pool there that isn't being used; there's a CAT scanner here which is used some of the time; there's psychiatric beds here which maybe you could use some more of; there's some surgical beds which we maybe don't need as many of here, with some new surgical treatments; we certainly don't have as many geriatric assessment beds which we need to better assess the elderly population which comes into our acute care hospitals; how many day surgical suites do we have; how are they being used; how many out-patient suites do we have -- are there enough or are there too many?

So I think we need to develop a major study of, really, what we have, where we have it, and what exactly it's doing. I think that would be an honourable and a responsible and an accountable thing to do as stewards of the system, so I put that in this motion. Well, I hope members want to agree with that, because if they don't, I know that the Auditor General agrees with me, Mr. Speaker. I was quite surprised just the other day to finally read more of the annual report of the Auditor General for '87-88, and do you know what he says, Mr. Speaker, members of the Assembly? It's really quite astounding. In terms of hospital programs the Auditor General says that:

The Department does not maintain and use a well documented inventory of approved hospital programs to assist in coordinating the delivery of health care programs.

Well, he goes on to explain his reasons for that, but I think he's bang on. I think this has been my experience, not in terms of the full documentation and evidence that they have upstairs in the department there, but I think the Auditor General's pointed to exactly the same kind of thing that I like to point out, which is that we need to do a much better inventory of what we have and not only just develop that inventory but, as the Auditor General says, use it. I can see great plaudits in passing this motion and getting this kind of activity done in a very central way. I mean, for the Legislative Assembly to direct government and the department to do an inventory is to pick up exactly on what the Auditor General has already said.

By doing so, as he said, and to use such an inventory would mean to use it with respect to the demographic data which we

have. We can do an inventory of the age of the people, the sex of the people generally, the economic indicators, and match the kind of health care resources we have and where we have them with the health status needs of the people, and see where the fits are and where the adjustments are that need to be made. With such an inventory we can also say with some confidence and some creativity how we can, then, convert or alter or redesign the existing facilities to make them service not only the existing but the future needs. Without an inventory, without knowing exactly what we have and where we have it, we really can't do that kind of creative planning in the area of conversion and redesign.

Then I say we need to do some interesting things in the area of health and economic impact assessment. As I say, like in the EIA process it would be interesting, for instance, to have a five-year period where we could do some of these impact assessment studies from our hospitals and use local people, representatives from local areas, get them involved in saying, "What does this hospital mean to us and what could it mean to us if we really put our minds to it?" We need to develop thereby an analysis of evaluating how a particular hospital is actually affecting the health of our population around us. Now, again, I mean -- it sounds quite simple; it sounds quite obvious. But maybe by doing such an impact assessment we could say, "Well, I wonder how many of the hospital kitchen facilities can be used more in the area of Meals on Wheels?" Now, that's been done in some ways. Maybe we could up the kitchen capacity and do more of the meals; get the volunteers to deliver it out to the elderly in the community. We know that without good nutrition and health for seniors in their homes, their health is going to be jeopardized. So why, in a sense, let the elderly become more frail and fall and get them into hospital instead of using the hospital to keep them in their own homes? That's the kind of thinking, I think, that we want to generate.

There are some other examples of that as well. What about mental health in the province, Mr. Speaker? We have a lot of people with mental illness and mental health concerns. What can the hospital do -- not to get them in after it's too late, after the crisis has happened -- whether it's in an outpatient way or in any creative way we can develop to care for and help to treat people who are mentally ill or have mental health problems in their own home, in the community, in a kind of an outpatient way, before they need official hospitalization? This whole thing of using hospitals as outpatient facilities, as day surgical areas, and using hospitals even in the area of health promotion, not as what has been termed "sickness palaces" -- but to use hospitals' expertise and their resources to develop programs of health promotion. That's what we need to look at for the next five years, as I'm calling for in this motion.

And I know we get to the thorny problem of economic impact, of what a hospital does, say, as an employer in a particular area. I know members have argued that even though the occupancy rate might be low or whatever, the hospital is a big employer in their town, whether it's for the kitchen staff, the laundry staff, the janitorial staff, or the nursing staff. And we need to look seriously at that. Now, I don't want to go as far as the current federal Minister of National Defence has said. "Well, I'm closing these bases down because they were never meant as economic diversification tools." You know: "I closed them down, and if they're going to put people out of work, then that's too bad."

MR. DEPUTY SPEAKER: I regret to advise the hon. member that his time has expired. The hon. Member for Innisfail.

MR. SEVERTSON: Thank you, Mr. Speaker. The motion before us this afternoon is an important one that involves an issue that is crucial to all Albertans. The construction of hospitals and the co-ordination of services between existing and planned medical care facilities is a process that is at the very heart of the medical delivery system. Quite simply, this Motion 207 is based on the assumption that the government has invested too heavily in the capital construction of hospitals, without adequate improvement and co-ordination between the existing facilities in Alberta.

Mr. Speaker, I'm not willing to give my support to this motion because the assumption that it rests on is flawed. The hon. Member for Edmonton-Centre has coupled the vague principle of improved co-ordination between the existing hospitals with an unwarranted call for a five-year freeze on the planning of new active treatment hospitals. He once again displays his tendency to distort the issues by allowing political motivation to outweigh his accountability to the facts and good judgment. The end result of this proposal, characterized by overreactionary measures, is a motion that is not in the best interests of all Albertans. In actual fact, with a five-year freeze on the construction and planning of hospitals it would in reality be at least 10 years or longer before any new hospital construction was finished. The Member for Edmonton-Centre seems to believe that a temporary moratorium on hospital construction is necessary, and improved co-ordination of existing facilities would not provide all the answers to our health care delivery system. I would say instead that the answer lies in emphasis on preventative measures in conjunction with co-ordination and a balanced approach of the delivery of health care. This will ensure that all parts of the system function effectively.

This government's strong commitment to rural Alberta is reflected in its health care policy that is sensitive and responsive to their special needs. Albertans living in rural areas do not have the same proximity to hospitals as those living in the urban areas. However, they should not have to travel unreasonable distances to come to the closest hospital complex. The opposition has continued to exhibit a lack of understanding and out-of-touch attitudes towards rural Albertans on almost all fronts, and it seems that their health care policy is no exception.

But the need for new hospital beds or reconstruction and improvement of existing facilities is not limited to rural Alberta. It is a matter of concern almost everywhere in Alberta. The survey of the Alberta hospital population reveals that despite the current rate of hospital construction, it will be difficult to sustain the necessary beds per population ratio in Alberta through the next 10 years. The number of active care treatment hospital beds in Alberta today is very close to the 1982 figure of approximately 1,201 beds. In spite of the major construction program which this province began in 1979, the per capita bed ratio has declined by 7 percent for active treatment care over the past six years. Furthermore, even with the various capital development projects planned but not yet completed, the provincial supply of acute beds is expected to decline to approximately 4.6 percent per thousand Albertans by 1996. This situation clearly reveals that now is not the time for a freeze on planning of hospital construction in this province.

The member opposite would like to have the people of Alberta believe that this government blindly approves construction

of proposed hospitals without prudent evaluation and careful consideration of the alternatives. Nothing could be further from the truth, Mr. Speaker. Project proposals are reviewed and assessed on the basis of greatest need. On June 13, 1989, the Minister of Health announced approval for the planning process of 13 capital projects. These 13 projects located throughout the province were selected from 50 proposals. Fifty proposals: that's evidence of a definite need for upgrading medical care facilities. This government has been involved in a program of hospital building for over 10 years. There were 63 projects under construction or approved for construction as of April 1988.

Capital projects planning of this magnitude is a complex, long-range task. Medical care considerations throughout every area of the province are constantly monitored by the Department of Health with the co-ordination of local hospital boards and administration. Evaluations are made taking into account facility needs and the departmental budget restrictions. This necessitates additional active care bed planning adjustments to be made on an annual basis. With improvement in technology many treatments are starting to be delivered on an out-patient basis without the need of hospitalization. We'd acknowledge that the need for hospital construction today is not at the level we found ourselves 10 years ago, but instituting a freeze as a policy stand is not the answer. This government must continue to work with a comprehensive planning approach for consideration of all areas of the health delivery system, including construction of new hospital facilities.

The suggestion by the hon. Member for Edmonton-Centre to improve the co-ordination of services between hospitals is worth while, but one that will only add support to the present action and course of this government. Although we don't want massive changes to our health care system, we must spend the time and commit ourselves to finding new solutions while ensuring that we remain on the leading edge of health services. One of these challenges will be to continue improving a system of networking, as opposed to having each facility operate independently, as this process is well on its way.

MR. WRIGHT: A point of order, Mr. Speaker.

MR. DEPUTY SPEAKER: The hon. Member for Edmonton-Strathcona is rising on a point of order.

MR. WRIGHT: I do hate to interrupt the hon. member, but finally I feel I must. It is a debate and not a reading party, Mr. Speaker.

MR. DEPUTY SPEAKER: The hon. Member for Innisfail, carry on.

MR. SEVERTSON: Okay. Thank you.

I think it's important to provide members of this Assembly some specific examples of co-ordination that is currently under way. With new technology purchased with the lottery funds, such as an MR scanner and the lithotripter bagging machine based in Edmonton and Calgary -- this equipment will be used in all areas of the province. It shows evidence of co-ordination which is now starting.

The minister's Policy and Advisory Committee on Hospitals and Medical Care examined all aspects of health care throughout the area. The minister has indicated the new ambulance Act will be introduced later in this session. The Premier's Commis-

sion on Future Health Care for Albertans, established in 1987, currently examines various issues including ways and means to enhance accessibility, equality, and innovative health and resources concerns. The commission will also review costs, geographic availability, funding stability, and general organization for health care systems. This commission will be reporting by early 1990.

In conclusion, I'd like to call on other members of this Assembly to join me in withholding their support for this motion. A five-year freeze on planning of new active treatment hospital beds is out of step with the demands of planning for a complex health care delivery system and out of step with the basic health needs of all Albertans.

Thank you.

MR. DEPUTY SPEAKER: The hon. Member for Edmonton-Gold Bar.

MRS. HEWES: Thank you, Mr. Speaker. Just a few comments in the small amount of time that's left to me.

I am very sympathetic, Mr. Speaker, to this resolution of the Member for Edmonton-Centre, who has wide experience with hospitals. I am, as I say, sympathetic to it. However, I'm concerned about the first part of the resolution. I understand and support entirely the notion that's contained in the second part: that the government should "conduct an inventory of existing health care facilities" and so on. However, I do not support the idea that in order to do that, we have to impose a five-year freeze on any new planning or construction. I believe that is an inappropriate lead-in to what I think is the essence and the heart of the motion, and that is the analysis of what we've got. I find it's ironic, Mr. Speaker. On the one hand, we've got Bill 5 before us, and the minister is going to sell off everything, but hopefully the Member for Edmonton-Centre's motion won't let there be anything built to be sold. So it's an interesting sort of juxtaposition.

Mr. Speaker, the Hyndman commission apparently will report shortly. We've had some interesting information from them as interim reports, suggesting that we should not expect more of the same, and I look forward to that report giving us some real direction for where to go, not in the year 2000 but in the immediate future. There's no question that the report was triggered by the increasing costs of health care in Alberta. The number of beds per thousand in Alberta is high in comparison to other provinces. The cost of health care in Alberta is high. This does not guarantee us access to beds nor does it guarantee us a high quality of care, and I think that's hopefully what the Hyndman commission will put its mind to.

I can understand the New Democrats calling for that kind of a five-year freeze on all future hospital planning and construction in result of the tremendous capital expenditures that the government has been committing over the past years with very little rational thought and cost-effective planning. To be sure, Mr. Speaker, the emphasis now is on wellness throughout the health care system in Canada: prevention, developing healthy communities, healthy life-styles. But I submit that institutions will continue to be needed in health care even as we shift away from that particular model. So to arbitrarily stop all future construction, especially planning of hospitals, is not the solution. I think our long-term commitment to a children's hospital, the continual need for increased long-term extended care beds, existing demands for involuntary treatment centres for mental ill-



ness patients prove that health care needs are changing and require flexibility in our approach. So I don't think, Mr. Speaker, we should cut off any of the options that are open to us. To shut down hospital construction in effect cuts off one very important option, and I think we have to keep that one open.

Mr. Speaker, the problems facing health care cannot be resolved by addressing hospital costs alone. Health care has to encompass commitment to healthy citizens, communities, and wellness, and that includes physical, social, spiritual, and psychological health. So our party believes that health care policy cannot and shouldn't be restricted in any way to thinking about hospitals and institutional care only. A rational health care system begs for the need to redesign our thinking about health care, to incorporate a much more flexible and creative approach that will keep pace with the growing health concerns of the province.

Mr. Speaker, the demographics are obvious. They show us an aging population where we need comprehensive care, including home care, care in our seniors' apartments and lodges, care in nursing homes, care for the disabled. I should mention that during the Stettler by-election I had the opportunity to visit a seniors' residence in Forestburg that I thought was an excellent model, and I would commend the good folk of the town and those in the government departments who worked on developing this model. I hope it will be repeated many times over. It encompasses a number of different support systems for seniors as well as reaching out to the townfolk, so that you need not live in the development in order to access some of the services that are available there.

Mr. Speaker, acute care facilities in urban centres are experiencing serious lack of bed space and staff. The bed space in urban centres, the problem with the beds, is exacerbated by the 30 percent occupancy of active treatment beds by long-stay patients waiting for transfer to extended care facilities, and this, of course, raises the whole problem of the absence of comprehensive home care support services in our communities.

Rural areas, on the other hand, are struggling with a lower occupancy rate, trying to provide even a minimum level of service without adequate staff to meet needs, resulting in under-utilization of their facilities. Operating rooms and labs stand empty.

Mr. Speaker, the shortage of specialists even for routine procedures results in the transfer of rural patients to urban centres. We must organize the system to deal with this reality.

Mr. Speaker, I see you getting to your feet. Are you going to . . .

AN HON. MEMBER: You've got one minute to go.

MRS. HEWES: Thank you.

AN HON. MEMBER: Two.

MRS. HEWES: I've got two minutes to go.

The solution that the Alberta Liberal Party has been advocating for some time is to reduce the waiting list in urban hospitals . . .

MR. DEPUTY SPEAKER: Order please, hon. member. Whoever gave you the information about two minutes to go was grossly out of touch with the time. It is now 4:30 o'clock, and according to Standing Order 8(3), we must now move to the

next order of business.

head: **PUBLIC BILLS AND ORDERS  
OTHER THAN  
GOVERNMENT BILLS AND ORDERS  
(Second Reading)**

**Bill 206  
Environmental Assessment Act**

MR. MITCHELL: Thank you very much, Mr. Speaker, and thank you to my colleagues on all sides of this House who are greeting my standing upon my feet to present this Bill with enthusiasm. I trust that reflects a general consensus about the quality of this Bill, and that after an hour of debate we will be able to vote to pass it. My only regret is that the Minister of the Environment is not as attentive as he might be about this Bill and that somebody will convey the decision to accept this Bill to the Minister of the Environment later in the day.

It is my pleasure, Mr. Speaker, to be able to present Bill 206, being the Environmental Assessment Act. This Act meets an extremely important need in the economic development -- that is, the sustainable economic development process -- in this province. It underlines a gap in environmental protection, in environmental review policy, on the part of this government. This gap -- and in fact it is not simply a gap but is a fundamental resistance to doing environmental impact assessments properly that we find in this government expressed daily in answers to our questions in this House and elsewhere -- undermines the state of tired government, the state of a government that is not progressive and cannot reflect the desires and the wishes of Albertans to ensure that when we pursue economic development, we pursue it properly and with the security and the sense of knowledge that our environment will in fact be protected.

[Mr. Jonson in the Chair]

I am struck by a great irony. Over the months prior to the last election, the March 20 election, we saw a government scrambling to announce economic development projects, largely pulp mill projects, for one reason and one reason alone: a political motivation to buy votes in an early election, which they felt they needed but which nobody else in this province required. The great irony is that they didn't buy votes with those pulp mill projects. In fact, they probably lost votes with those pulp mill projects. Had they been an enlightened, creative, progressive government, they would have understood that politically -- and for other much more elevated reasons, but to put it in their terms, politically -- they would have been much further ahead to have announced an enlightened environmental policy, which included an enlightened environmental impact assessment process, were they to have achieved greater popularity and less voter decline in this province.

There are many examples of why legislation of this nature is needed. I congratulate my colleague from Edmonton-Jasper Place for making an effort several weeks ago to plug this similar gap. It's not as though this is a secret. It's not as though this comes as a surprise or should come as a surprise to this government. There is an increasing awareness amongst the people of this province for a proper environmental impact assessment process. I believe that while it has been a growing awareness, it has come to a maturity in the last year and a half or so with the

onset of so many megaprojects, dams, pulp mills which have been so poorly assessed and planned for by this government. Seven major pulp mill and forestry projects in the north of this province and across the province have been announced in the last 18 months.

The huge impact of these projects I think is reflected in the statistics associated with one of those projects, simply one of those projects: the Alberta-Pacific mill in Athabasca. Eight tonnes of sulphur equivalents will be emitted into the air in that area by that plant, that pulp mill, once it is constructed -- eight tonnes of sulphur equivalents at about the time the University of Alberta is beginning, through its research, to reveal that concerns with health effects of sulphur equivalents are much greater than we had originally anticipated in the past. Tonnes upon tonnes of dioxins and furans will be emitted into the river over the years due to the chlorine bleach process that will be utilized by that mill. Widespread clear-cutting of forestry resources will be a feature, and an important feature, of the forestry management agreement that the company Alberta-Pacific will sign with this government. There will be massive trade-offs with other economic development opportunities in the north, opportunities that this government hasn't even deigned to consider in assessing the "need," obsessively, for economic development promoted by pulp mills in the north.

Mr. Speaker, I believe that reasonable people, and in fact in their heart of hearts the back bench, the cabinet members, and this government, understand one fundamental premise that must be embraced by this government in approaching these projects. That premise is that if we are to do them, at the very least they must be done properly. They must be done with full and complete and proper regard for environmental protection and mitigating the impact of these kinds of projects on the environment. If they are not then we run the risk of doing them incorrectly, a risk that is far too costly to take because it will be irreparable and irreversible. All that most reasonable people are saying is, "If we are to do these, let's do them properly." And if we are to do them properly and to know we are doing them properly, then in fact we have to have an environmental impact assessment process that gives us the facts and gives us those facts with credibility so we can have assurance that if they were to be proceeded with, they would be done on the basis of proper environmental regard. And if in fact the technology of today is not sufficient to meet that criteria, then these projects would not proceed until such time as that technology was improved to acceptable standards.

While most Albertans accept that premise and that observation, the great irony is that this government the government that has the responsibility for doing projects of this nature properly, does not. In fact not only do they not accept a proper environmental impact assessment but they have fought every step of the way as the weaknesses of their "process" -- and I use that term loosely in that context -- come to light. They have fought every step of the way to do nothing more than contend with those problems as a public relations exercise. And if public relations was ever in doubt as the driving motivation in their approach to environmental assessment it is no longer in doubt with the appointment of the minister who has been appointed -- noted across this province, I would argue, for his public relations expertise.

Mr. Speaker, there are a number of criteria or elements that must be included in a proper environmental impact assessment process. I would like to list those. As I list each one, for the

sake of clarification I would like to compare those criteria with their lack of application in the Alberta-Pacific case. First of all, we have to be assured that any environmental impact assessment is comprehensive geographically. That makes sense. It is reasonable. It is essential. What do we see instead in the Alberta-Pacific case? The environmental impact assessment study done by the company did not include the delta of the Athabasca River, clearly a fragile ecological area, clearly subject to the effects of numerous plants upstream not considered in that environmental impact assessment. Secondly, it doesn't include to this point the forestry management area, which will include 28,000 square kilometres, which will involve massive clear-cutting of timber resources with the inevitable environmental impacts and will not be assessed properly, if at all, and certainly not before the construction of that plant is allowed to proceed.

That is a direct contradiction -- that fact that observation -- of what the minister has said in this House numerous times as he circles his hands and says, "All environmental approvals will be in place before we permit construction." Well, not so, Mr. Speaker, because the environmental approvals required under the forestry management agreement will not be in place before construction starts. How do we know? Because it never has been the practice that they would be. That isn't the case in the Daishowa project for example. And today, given the minister's answers in the House to questions of that nature, it was very, very clear that environmental approvals under the forestry management agreement will not be in effect. Therefore, Mr. Speaker, this government is not committed to comprehensive geographic assessment of the environmental impacts of the Athabasca pulp mill or any other mill or megaproject in this province. Sadly, the minister will argue that that's been taken care of. Why? It's been taken care of out of negotiations with the federal government. But once again, kicking and screaming, this minister resisted that initiative and undertook it only after the pressure applied by his federal Tory counterparts.

[Mr. Deputy Speaker in the Chair]

Secondly, the assessment process must consider the cumulative affects of the numerous mills, for example, that will exist in the Athabasca River basin. As it stands up to this point up to just days ago, that wasn't to be the case in the case of the Al-Pac project. Once again, that improvement has apparently been implemented for this project but only at the insistence and at the pressure of the federal government. It is not a concept that has been embraced, as it should have been embraced, by this Minister of the Environment.

Thirdly, to be proper the environmental impact assessment process must be objective. At this time in the Al-Pac and in every other case in the province, environmental impact assessments are done by the proponent company. I'd like to use an analogy that underlines my concern with the objectivity and the consequences of doing an assessment in that way. It would be like the Minister of the Environment wanting to buy a brand-new house, going to the builder of that house and asking that builder to commission an engineering study to convince him that that house was structurally sound. What kind of terms of reference would that builder give to the engineer who was going to do that study? How would the Minister of the Environment ever have any idea that that study was done in a credible and objective way? I would argue, Mr. Speaker, without fear of

contradiction, that that minister or any other member of that government wouldn't for a minute consider buying that house on the basis of a structural study commissioned by the builder of the house. Quite the contrary. Why would you have a second check? Why would you bother to check if it was basically being done by the same people who had built the house? That's exactly what is happening in the case of these pulp mills.

What should be done instead, Mr. Speaker, is that the Minister of the Environment through his department should commission all environmental impact assessments, and they should be paid for not by the people of Alberta with taxpayers' money but by the proponent. This is not unique. This is not a surprise. This is a process that is implemented elsewhere in this government's own administrative processes in the Energy Resources Conservation Board.

Fourthly, the impact assessment process must consider the mitigating social effects of projects such as these. I'm always struck by my colleague from Lac La Biche who stands up and very, very sincerely, I'm sure, and very adamantly argues that we have to create employment for the native people of the north. And we do have to create employment for the native people of the north. The question I ask is: has he got it in writing that there will be employment for the people of the north? Have we got a social program, a social development plan, that surrounds this program? I know that we do not. Elsewhere in the past there have been properly structured affirmative action programs, which is what that member is calling for but in his sincerity and enthusiasm he has forgotten to consider in detail and has forgotten to pursue the writing on the dotted line. The environmental impact assessment process must consider economic opportunity costs, economic trade-offs. That is to say, once we put a mill in that area, it is inevitable that other economic pursuits will be ruined: tourism, fishing, hunting, those people who would visit an area such as that to enjoy the wildlife, to enjoy recreational opportunities related to the outdoor environment of that area.

How many jobs are going to be created by the Alberta-Pacific project? Four hundred and forty real jobs, Mr. Speaker, 440 jobs in the plant and just over 600 jobs in the bush. These are not particularly good jobs. If the Member for Athabasca-Lac La Biche is confident that these 600 jobs are really fulfilling the needs of his people, I would argue that he should look again at those jobs, because they are extremely poor jobs. They are seasonal, they are dangerous, they are without benefits, they are at extremely low wage rates. They are not the kind of long-term economically sustainable jobs that over the years will do for that region what that member wants to do for the people of his region.

I ask the question: what if we put \$75 million into infrastructure for tourist development there? What if we put \$350 million loans into various enterprises for tourist development in that area? How many jobs would we create, Mr. Speaker, instead of maybe 440 real jobs and 660 or so not very good jobs, none of the 1,000 or 1,100 jobs being particularly economically sustainable.

The sixth point. The environmental impact assessment process must be reviewed and must be presided over by open, objective public hearings. There must be the provision for public intervenors to present their case before that public hearings process, funded so they can resist or match in some way the efforts of a company which is, of course, funded by great resources, but these funds must be provided not by the people of Alberta, by the taxpayer, but instead by the proponent. The

public hearings must be objective, not an afterthought, as in the case of the Alberta-Pacific. Three days into an election which the Minister of the Environment knew he was going to lose and which his government had grave concern about, the government threw together an environmental review board -- and I use that term extremely loosely in describing what the government has put together -- an afterthought to meet political demands, not to meet the substantive requirements of environmental impact assessments for that project.

Mr. Speaker, it is essential that the board be impartial and that it be comprised of experts. If ever there was a failing throughout this Al-Pac project, it is the manner in which this minister has lurched and bungled and boggled and ruined any hope of a proper environmental impact assessment process. In fact, he has admitted himself that he botched the job. The problem is that only three-eighths of the problem has been solved. Five-eighths of the problem still exists. Five of the original members are still on that board, selected as they were under a context of not regarding impartiality and not regarding expertise. The minister stands somewhere and says, "I made a mistake; please give me credit for admitting it," and at the same time doesn't move to solve the mistake. Five-eighths of the problem still exists. And what will happen? What has happened is that we have a board which is neither fish nor fowl, which is comprised of two properly selected federal members and four -- if he can ever find them and keep them -- improperly selected provincial members who will, given the potential bias of those four members, very likely find themselves bogged into irrelevancy. The minister will be able to throw it aside and say, "They can't do the job; we must proceed." It is pure politics. It is pure public relations.

Mr. Speaker, at least I should say that in the Al-Pac case the minister's made some effort to approach an environmental impact assessment of a kind. In the Daishowa case, for example, a mammoth impact on the environment of northwestern Alberta, nothing of credibility was ever done. He will argue that there were public hearings. They weren't public hearings; they were coffee parties. There was no provision for public intervenor funding. There was no provision or time for proper input.

Mr. Speaker, to call itself a progressive and enlightened government and then to expect people would consider that in light of how they have handled one of the most significant and important issues facing governments today in this country, in this world, environmental issues and the need to assess, to have the facts properly in hand before we proceed with economic development at any cost, regardless of the cost -- it is, Mr. Speaker, a tremendous blight on this government. I believe that reasonable, thinking people, to use the minister's words, understand that implicitly. And what is so frustrating is that it is so easy to fix it. There need not be this urgency this government feels. These forests have been here for aeons. The province has been here for decades without these pulp projects having been built. We can wait. We can stop now, put a moratorium on these pulp projects, and begin to assess and to structure a process that is proper, that gives us credible information so that when we proceed we know we are proceeding properly. If it takes a year, if it takes two years, if it takes five years, if it takes 10 years, that's not too long to preserve something as important as our environment.

Our legislation meets these requirements. First of all, it entrenches in legislation that would be fully debated and approved by the representatives in this Legislature the environ-

mental impact assessment process. Obviously that isn't the case today with this government. Environmental impact assessments are set and structured at a ministerial whim. What happens is that nobody understands it. Even the company doesn't understand it. It can't proceed, stops, starts, makes investments, backs off. This minister, this government, cannot even deliver to the one set of interests they want to deliver to: business. They certainly have made no effort to deliver to any other set of interests. But the great irony -- another one -- is that they can't even deliver their own myopic set of interests they seem obsessed with delivering. So we must entrench the environmental impact assessment process in legislation. Terms of reference must be outlined in that legislation, and they must require comprehensive geographic environmental impact assessments. They must require cumulative impact assessments. They must require social and economic effects. Mr. Speaker, our legislation, Bill 206, does all those things.

Secondly, the process in our legislation achieves objectivity. It requires that the government, the Minister of the Environment, will preside over the environmental impact assessment studies. They will be paid for, however, by the proponent, no questions asked, as a matter of course whatever it costs.

Thirdly, there is provision -- and it's a very important part of this Bill, Mr. Speaker -- for a public hearings process that can be initiated by the minister, that can be initiated by an environmental assessment board. These public hearings would be presided over by this board. This board would be comprised of 12 experts in the business, the science, the law, the administration, the health effects of the environment. These experts would be impartial and would be required, under a proper government, to disqualify themselves if they were involved in any kind of conflict of interest, if they had interests directly in the communities or an area that would be affected by a given project. These 12 experts would have power. They wouldn't just recommend. They wouldn't just give their thoughts. They wouldn't simply sit down with the minister over a nice dinner and say, "This is how we're feeling about this thing." They would make a decision: yes, that project can go ahead; no, it can't go ahead; or it can go ahead, but only if this company, this proponent, does the following things.

Clearly, there would be a political component. In our democratic system it is essential that we do not remove that political component. That would be an appeals process. There could be appeals by the company or by a community group or by any group with an interest in that project to cabinet, where an ultimate, final political decision could be made. But the moral suasion and the influence and authority of this board would come because it would have very explicit powers in our legislation to say yes or no about these projects.

Mr. Speaker, this Bill does those three very, very important things and meets the range of criteria which I outlined earlier in my presentation. It entrenches the environmental impact assessment process in legislation with comprehensive and proper terms of reference. It ensures objectivity so that when we get results, when we get studies, we know they have been done properly, without bias. It allows for broad-based public hearings with public intervenor funding that is allocated objectively, presided over by an impartial board of experts who would disqualify themselves if there were any suggestion or hint of conflict of interest.

Mr. Speaker, I have great confidence that Bill 206, the Environmental Assessment Act, meets a very important need in the

development process in this province. I have great confidence that it is reasonable and it will be met with the acceptance of all Albertans. I ask that it be accepted in turn by the members of this Legislature.

Thank you very much, Mr. Speaker.

MR. DEPUTY SPEAKER: Hon. Member for Lloydminster.

MR. CHERRY: Thank you, Mr. Speaker. I rise today to participate in the debate on Bill 206, the proposed Environmental Assessment Act. Before I do that though, I want to compliment the Member for Edmonton-Meadowlark, whom we've been listening to for the last 20, 25 minutes. What I'm going to zero in on is not all over the road. But I'm going to go down that road and show you where the Bill and how the Bill will work.

In an informal sense, Mr. Speaker, this debate has been ongoing since the opening of the session, with members opposite giving questions to the minister and the minister responding in a right light a good light and giving you the answers which you certainly deserve when asking them. One of the things that I think perhaps members on the opposite side sometimes forget is that when the minister is giving the correct answers, it's hard for them to accept what he's saying, whether it's the truth, which it always is -- but it appears there's a hearing problem, because what our minister has told you is certainly one that is correct. I'm not saying everything is perfect in this world, but we can assess any legislation and, if need be, change it. But I do disagree with what you have said, because I think the environmental impact assessment guidelines are adequate to date. I am opposing Bill 206 because I think putting our EIA guidelines into law without the benefit of a full review is jumping the gun on this issue, something which is characteristic, I might add, of the opposition.

The minister has already said that the entire EIA process is under review; the changes will be made if necessary. And I just finished saying that that the changes will be made. This, Mr. Speaker, is a far more responsible and logical approach. In the interim, it is not as if we were operating in a void where no regulations exist whatsoever. Comprehensive environmental impact assessments, with public assessment, are launched every time a major project goes ahead -- every time it goes ahead. Any project that does not pass the assessment is not allowed to proceed. It's that easy. I don't think in the legislation that the government picks and chooses. It's in legislation. We have to follow legislation.

Mr. Speaker, the Minister of the Environment has been telling the House that for months now. Maybe they aren't listening. Maybe the PA system doesn't work. I don't know. But on this side of the House we seem to be hearing it. We've had our standards in place for years, and they are constantly being reviewed and updated. The EIA process was in place long before environment became such a household word or topic. The opposition didn't seem so worried about it then, when it wasn't front-page news. No. The bottom line: the opposition has done its best this session to try and convince Albertans that this government doesn't care about the environment and that we have taken no precautions to ensure its protection and conservation. Now, this is something new. I'm sure that they all of a sudden, bang, woke up; here it is. No, sir, it's been there a long time, a long time. Not only is this irresponsible on your part but it is also false. I was listening very intently, Member for Edmonton-Meadowlark. I listened. You know, we were all over. We

were here; we were talking about employment, about what this was doing and what that was doing. The Bill: that's what I'm speaking on right now. I want you to know that no major projects go ahead in this province until the government is satisfied -- and I say again, the government is satisfied -- that every step has been taken to determine and understand the environmental effects of a proposed project.

MR. FOX: How about the 56 percent of Albertans that didn't vote for you guys?

AN HON. MEMBER: How many voted for you?

MR. CHERRY: I'm not hearing anything.

Alberta Environment requires a very thorough environmental evaluation prior to a project being built. The department insists on stringent standards for environmental protection that reflect the best available technology for each particular type of development. And you know, I can attest to that, because in my constituency, where we're putting in a plant -- I don't want to mention the type because the opposition might come and try to take it away from my constituency -- that was one of the concerns we went through for over nine months, that the government was ensuring that these environmental standards were met.

In my opinion, Mr. Speaker, introduction of Bill 206 is another example of politically motivated grandstanding. Really it is. Here we have our legislation in place, and here's some more grandstanding. Don't . . .

AN HON. MEMBER: You're on line 4.

MR. CHERRY: Thank you, thank you.

In addition, we have a very comprehensive set of regulations and guidelines which must be followed by all companies when doing an environmental impact assessment

[Mr. Speaker in the Chair]

Mr. Speaker, I would like to ask the Assembly's indulgence for me to run through, very quickly, the procedures and guidelines. The EIA procedures require proponents of developments which are likely to result in significant environmental impact to contact Alberta Environment as early as possible in their project planning in order to find out if an EIA is necessary for their project. Now, listen. At this initial stage the department holds discussions between the proponent, the government departments or agencies, and the public regarding the size, general location, and type of development in possible environmental impacts of the project. When it is in the public interest, the Minister of the Environment orders that the EIA be conducted; for example, new developments such as major sour gas plants, major coal mine projects, hydro and thermo power plants, oil sands mining projects, large-scale industrial facilities, major water resource projects. Mr. Speaker, at present all of these now require EIAs. There we are right there.

Don't throw a dart at me, Member for Vegreville.

All proponents must file with the environmental assessment division of Alberta Environment an outline reflecting their interpretation of the necessary requirements for the EIA. This outline must include how they intend to collect and analyze data and the program designed for public participation. In addition, proponents must detail for the department the purpose of the

development and offer alternatives. The EIA itself must include a description of the existing environment, identification of all possible impacts, an analysis of the significance in an environmental protection plan to mitigate any adverse effects. Boy, that's right on. The report must include those adverse effects that cannot be satisfactorily resolved and provide an analysis of their implications. The EIA must also indicate what towns, people, farmland, et cetera, must be affected by a proposed development.

This is very important here, Member for Vegreville; you seem to like to laugh a lot today.

Present regulations stress the need for conservation and proper management of natural resources. Bill 206, to its credit, would also require these things. But if they're already a provision of the existing process, then I want to know: what's the point? What's the point? Bill 206 states that the proponent must advise the public when the EIA has been requested. Mr. Speaker, this is already the case. Under the current guidelines proponents must inform the public of the general nature of the project, indicate that an EIA will be prepared, and state the opportunities for public participation. Proponents must also allow the public a chance to review the EIA before submitting it to the Alberta government. This ensures that concerns of the people in the affected area have been appropriately addressed.

I think you certainly cannot condemn this legislation for what it's doing, and I want basically to say that this is one of the best policies and legislations that we have in. Mr. Speaker, regardless of the contentions of the opposition, the public certainly has a right to oppose development projects and can formally do so through the EIA process. Alberta Forest Service, the fish and wildlife division, and the public lands division will hold or already held open houses and presentations in the areas of the five major forest projects to discuss forest management agreements and forest operations. They also hold open houses by Department of the Environment staff and the company representatives to provide information and answer the questions posed by the public relating to the EIA. The senior staff from industry and the department have made presentations to local community leaders and special interest groups as well.

I guess an important part of the present standards of the EIA is that the developer is responsible for preparing the EIA reports. In contrast, Bill 206 makes it mandatory that an independent outside body prepare that report. Mr. Speaker, the developer is best qualified to do the EIA. Only the developer knows the very technical aspects of this project, and this is basic knowledge needed to complete an assessment. Once they have finished their EIA, developers are required to file with the Department of the Environment where it is reviewed to make sure it conforms to the established EIA guidelines. Right there.

MR. FOX: How about the e-i-e-i-o?

AN HON. MEMBER: That's only in Vegreville.

MR. SPEAKER: How about order in the House and speaking through the Chair?

MR. CHERRY: Yes, Mr. Speaker. Thank you. I'm certainly glad you made that point.

In addition, the technical and scientific information contained in the EIA is reviewed by technical experts in government. This provides for interdepartmental study of impacts and

mitigating measures identified by the proponent. Proponents must provide sufficient information to evaluate the impact on air quality, water quality in use, land reclamation, and other environmental conservation matters. It's right there. Under Bill 206 it appears that the department would no longer be responsible to undertake this kind of review of EIAs. Mr. Speaker, this is simply not acceptable. The department review is important to ensure that all stipulations are being met and standards are maintained.

Once the EIA is approved, the proponents still must obtain a permit and a licence under the Clean Air Act and the Clean Water Act. They also need a licence under the Water Resources Act. In some cases an historical impact assessment must be done under Alberta Culture, and the municipal development authority must issue a development permit. In the case of the forestry projects, Mr. Speaker, a forest management agreement must also be developed. This requires approval from the Minister of Forestry, Lands and Wildlife, and Executive Council. A very, very stringent set of rules, I would say.

Under the present regulations, when it is decided that the anticipated environmental effects are not significant enough to warrant an EIA, the proponent is still responsible for submitting environmental information to support the application for a permit pursuant to specific legislation such as the Clean Air Act or the Clean Water Act. Existing guidelines require that the monitoring program be developed and implemented after the permit is issued to ensure impact does not cause any change. I've seen that myself in my own constituency where they do monitor projects after they're up and going.

Mr. Speaker, I think the provisions I have just outlined prove that current requirements for environmental impact assessment studies are responsible, realistic, and support our commitment to environmental conservation and sensitive economic development.

The stated purpose of this Bill before us today is the protection, conservation, and wise management in Alberta of the environment: a very, very important aim. It sounds familiar too, Mr. Speaker. One of this government's stated commitments in the 1987 throne speech was "to achieve the protection, improvement, and wise use of our environment now and in the future." There it is: "now and in the future." So it is obvious that this is already a policy of the government, a policy that is strictly enforced through the regulations and guidelines I have just outlined.

All of us are aware that there's always room for change, always room for change or improvement. With the rapidly changing technologies which we have today, industry must review and update our legislation periodically to continue the high standards. To repeat what the hon. minister has been trying to say to the members opposite for some time, the process of the EIA is in fact under review right now. If changes are needed, changes will be made.

Now that we are clear on the present provisions, Mr. Speaker, I would like to take some time discussing a few of the problems of Bill 206. To be fair, without seeing the regulations which would support this Bill, it is difficult to get a clear idea of how the legislation could be implemented in an efficient manner. There are, however, some glaring problems and inconsistencies that are obvious. On the face of it Bill 206 makes it mandatory that the EIA be completed for every development project before it goes ahead. No distinctions are made between types or kinds of projects -- no distinctions -- and no exceptions

are made. Everything is lumped into one big system. This legislation if it is passed would become a textbook example of how to draft a Bill that would cause the most confusion, create the biggest bureaucracy -- and that's what we're trying to get down; we're very conscious of that -- put the most restrictions on the ones it would affect, and be the hardest to administer of any Bill ever passed. I for one am not willing to see this Bill implemented.

All energy projects, all landfill sites, all roads, all subdivisions, all forestry projects, all irrigation projects, even farm expansion projects -- can you imagine that? -- would have to comply. There is no flexibility in the Bill for routine projects to go ahead without doing a complete EIA. Mr. Speaker, the technical information necessary to grant permits for something like a gravel pit, as an example, is very well established and known. Therefore, a full EIA is not necessary.

Bill 206 displays an amazing lack of understanding for the current process in place for development projects in all areas. In fact, that no distinctions are made between energy and non-energy projects is perhaps the best example of this. The Energy Resources Conservation Board and the regulations administered by this board have been in effect for many, many years, and they have served this province well where energy projects are concerned. So why is the member disregarding this effective process and demanding new legislation?

Forestry is a new industry in this province. We all know it's a new industry, and before we legislate regulations or create any boards where it is concerned, we are going to review the situation.

Mr. Speaker, Bill 206 makes provision for the establishment of an independent environmental impact assessment board. This board would be government appointed and consist of experts in the areas of law, science, and business. None of the members would be government employees. Under the Environment Council Act cabinet already has the prerequisite to establish such a board. However, the need for one is negligible, considering the department has all of these resources at its disposal already, and all EIAs are carefully reviewed by such people. I can't help wondering whether the Member for Edmonton-Meadowlark would have us axe the entire EIA; in other words, get rid of it and get rid of Alberta Environment entirely. However, his independent board would still have to be monitored by the department. The results of their reports and decisions would still have to be reviewed by the department. Sounds like a lot of duplication of services to me, Mr. Speaker.

Still on the topic of duplicating services, Mr. Speaker, if we read further on in the Bill, we see that the minister may

(a) vary the whole or any part of the decision;

or

(b) substitute for the decision of the Board, such decision he considers appropriate;

Now, correct me if I'm wrong.

AN HON. MEMBER: You're not.

AN HON. MEMBER: You're wrong.

AN HON. MEMBER: No, no. You're right.

MR. CHERRY: Thank you.

But is this a logical provision in a Bill that declares the absolute need for an independent EIA board? The government is

still making the final decisions. I agree that this should be the case; I'm sure the members over there do also. I'm sure they do. But it is certainly not consistent with what the member opposite has been suggesting. Executive Council may under the provisions of this Bill review, confirm, annul, or amend the board's decision, Mr. Speaker. These provisions are confusing. The member sponsoring the Bill advocates an independent board and then undermines it by giving all the final power back to Executive Council.

Another problem I see with Bill 206 is that it would give power of property to something it calls provincial officers. These officers would have complete power to scrutinize the operations of many projects by searching buildings, examining machinery, vehicles, books, records, and documents. The officer can then require any examination, survey, test, or investigation he considers necessary in order to ensure that the Act is being adhered to. God. Mr. Speaker, this is an outrageous proposition. If this government gave such carte blanche, sweeping powers to environmental officers or any other kind of bylaw officers and enforcement personnel, the opposition I'm sure would scream civil rights abuse or would levy some other tactics at us. I could go on. The point is simple. The potential for abuse under such a system is great. Now, I want you all to listen to that.

AN HON. MEMBER: We're listening.

MR. CHERRY: I'm going to read that back again.

AN HON. MEMBER: Good; read it back again.

MR. CHERRY: The potential for abuse under such a system . . .

MR. SPEAKER: Please. Order please. Hon. member, there's no need to read it twice. Thank you. Through the Chair, let's continue.

MR. CHERRY: Thank you, Mr. Speaker.

It's obviously a point that I think myself -- and I give the Member for Edmonton-Meadowlark full points for bringing the Bill forward, but I don't think he really, really, really got down there and studied it and fine-tuned it the way it should have been. You know, I really think that.

Anyway, another point of interest is that Bill 206 is an environmental consultant's dream. The Bill makes provision for paid public intervenors billed to the taxpayer.

AN HON. MEMBER: Oh, boy.

MR. CHERRY: Yeah. You may as well give every environmentalist in the province a blank cheque, and then you may as well kiss any projects or investors good-bye. With this in place projects would be held up and stalled indefinitely by calls for one more intervenor's study.

AN HON. MEMBER: Oh, boy.

MR. CHERRY: Yup. The NDP probably would be . . . There has to be a reasonable limit on the number of studies, on the number and kind of people doing them, Mr. Speaker. If not, no project would ever come to completion. There would never ex-

ist the situation where everyone who wanted a say would be happy. No, sir.

Before I sit down, Mr. Speaker, I want to ask all members when considering this Bill to think about the fact that we have comprehensive EIA requirements that are held up as examples in other provinces and countries, that our Environment minister is presently reviewing these requirements, that they will be changed if necessary, and that the alternative given us by Bill 206 is so riddled with problems that it cannot be supported. If Bill 206 were passed, the major beneficiaries would be lawyers, environmental consultants, accountants, and lobbyists -- not the environment, not the people living in the region of major projects. Bill 206 does not guarantee improved environmental protection, only mass confusion and cumbersome laws. I cannot support that.

Finally, Mr. Speaker, this Bill proposed by the member opposite appears to be modeled very closely after another province. Yes, one that -- I don't need to tell the people here on this side of the House that it wasn't too long ago, what happened to us in Alberta. We in Alberta do not need to learn from our eastern Liberal friends. We have already benefited from the incompetence far too often in the past.

MR. SPEAKER: Thank you, hon. member. Order please. Edmonton-Jasper Place.

MR. McINNIS: Thank you, Mr. Speaker. This is second reading of Bill 206. Unfortunately, it was only the first reading of that speech we just heard and hopefully the last one.

I'd like to congratulate the mover of this Bill for recognizing that Alberta needs comprehensive environmental impact assessment legislation. The old section 8 of the Land Service Conservation and Reclamation Act just isn't doing the job any more.

I have some concerns about the application of this particular Act. It's unclear what's a major business operation, and the exemptions under section 29 are quite large. I have some concerns that the public hearings aren't mandatory under this process, that there is a new bureaucracy to be created under this thing, which I think is unnecessary. The Environment Council of Alberta, despite the fact that the public advisory committees have played a role in advocating environmental causes, does have an excellent track record doing hearings on environmental matters. I believe they should be the ones to do this type of work.

I'm concerned primarily, though, about the provisions in this Bill to create a political review process for the environmental board. Section 18(21) of this complicated Bill gives the minister and the Executive Council the power to overturn any decision made by this environmental board. More importantly, it also cuts off appeal to the courts. I think it's wrong in principle to cut off anyone's access to courts, especially on an environmental matter. I do quarrel with that particular provision of the Bill.

The matter of politicizing appeals in a process like this is a very great concern. For that reason I'm not sure we can support the Bill in its current form.

Given the hour, I suggest that I adjourn this debate.

MR. SPEAKER: Those in favour of the motion, please say aye.

HON. MEMBERS: Aye.

MR. SPEAKER: Opposed, please say no. Motion carries.

MR. STEWART: Mr. Speaker, I move that when the members assemble at 8 o'clock this evening, they do so in Committee of Supply.

MR. SPEAKER: Having heard the motion by the Deputy Government House Leader, those in favour, please say aye.

HON. MEMBERS: Aye.

MR. SPEAKER: Opposed, please say no. Motion carries.

[The House recessed at 5:29 p.m.]