

Legislative Assembly of Alberta

Title: **Thursday, June 28, 1990 2:30 p.m.**

Date: 90/06/28

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

[Mr. Speaker in the Chair]

Prayers

MR. SPEAKER: Let us pray.

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

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

Amen.

head: Introduction of Visitors

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

MRS. HEWES: Thank you, Mr. Speaker. I'm pleased today to introduce to you and members of the Assembly a guest from Prince Edward Island Mr. Ron MacKinley. Mr. MacKinley is a Member of the Legislative Assembly of Prince Edward Island representing 2nd Queens. He's seated in your gallery, Mr. Speaker, and I'd ask him to rise to receive the warm welcome of the members of this House.

head: Notices of Motions

MR. WICKMAN: Mr. Speaker, under Standing Order 15(6) I wish to give notice of the following motion:

That the matter of privilege raised by the hon. Minister of Public Works, Supply and Services on June 22, 1990, and subsequently ruled to be a prima facie case of privilege by the Speaker be referred to the Standing Committee on Privileges and Elections, Standing Orders and Printing for consideration and recommendation and that the committee be instructed to call witnesses and documentation required by any Member of the Legislative Assembly to establish the validity of the statements regarding the pattern of use of lottery revenues made by the Member for Edmonton-Whitemud and, further, that the committee hold all of its deliberations in public.

MR. SPEAKER: The Chair would point out that the member has just put a motion on notice. The Chair would also point out that the Assembly will have to decide with regard to some irregularities that perhaps seem to be there, one of which is that the committee itself would determine who calls witnesses and documents whereas the hon. member has suggested "any Member of the . . . Assembly." That is at variance with what the procedure would be with regard to a committee. Secondly, the matter of a prima facie case of privilege dealt with comments made in the House with regard to some specific matters, not to the whole subject matter of lottery funds.

head: Introduction of Bills

Bill 239

Environmental Impact Assessment Act

MR. McINNIS: Mr. Speaker, I request leave to introduce a Bill, being the Environmental Impact Assessment Act.

This Bill is about how we make decisions about our future. It's state-of-the-art legislation that guarantees public involvement and right to information.

[Leave granted; Bill 239 read a first time]

head: Tabling Returns and Reports

DR. WEST: Mr. Speaker, I rise today to table with the Legislative Assembly four copies of the annual report for Alberta Recreation and Parks for the year ended March 31, 1989.

MR. SPEAKER: Thank you.
The Solicitor General.

MR. FOWLER: Thank you, Mr. Speaker. I'm pleased to table today with the Assembly the annual report of the Health Disciplines Board for the year ended December 31, 1989.

MR. TRYNCHY: Mr. Speaker, I wish to table the annual report of the Occupational Health and Safety Council for the year ended December 1988.

head: Introduction of Special Guests

MR. GOGO: Mr. Speaker, I am pleased to introduce to you and through you to members of the Assembly visiting scholars from the People's Republic of China who will be spending the next few days participating in an exchange program with the Faculty of Business at the University of Alberta. Our guests, Mr. Speaker, are seated in the members' gallery: Professor Gu and Professor Bao from Jiangsu Academy of Social Sciences; Professor Chen, Professor Yang, and Professor Zhang from Xian University; scholars are Ms Liu, Mr. Tang, Ms Qiu from Xian University. Ms Monica Wegner from the Faculty of Business, University of Alberta, is the co-ordinator of the visit. I would ask, Mr. Speaker, that our visitors stand and receive the usual warm welcome from the members of the Assembly.

MR. McINNIS: I would like to introduce three very special guests in the gallery from Edmonton-Jasper Place. They are Miss Catherine McInnis, Miss Julia McInnis, and Miss Emily McInnis. They're my daughters. The way this place operates they have to come here to see me. They're accompanied by their babu, my mother-in-law Sophie Lisun.

MR. ZARUSKY: Mr. Speaker, it's a pleasure for me to introduce to you and through you two people special to me: a young chap that's a student from the New Sarepta junior high school, visiting the Legislature for the first time, and also my godson, Lee Lindberg, and his mother Maxine. They're seated in the members' gallery. I ask that they rise and receive the warm welcome of the Assembly.

head: Ministerial Statements

Rumsey Ecological Reserve

DR. WEST: Mr. Speaker, it gives me great pleasure to announce today plans for the establishment of Rumsey ecological reserve, Alberta's 12th ecological reserve. Rumsey ecological reserve, located approximately 30 miles north of Drumheller, represents a large nonsand plain aspen parkland.

The establishment of Rumsey is of provincial if not international significance as it is the largest remaining aspen parkland area of its kind in the world. Encompassing 8,398 acres of native vegetation on rolling terrain, Rumsey ecological reserve is valued for its size and undisturbed landscape. Mr. Speaker, Alberta's white zone is only 39 percent of the province; therefore, it's important to protect Rumsey from further population encroachments. In the past, land use patterns such as clearing and cultivating have eliminated or altered much of the native vegetation found throughout the aspen parkland areas of North America. Very little of the native parkland still exists, and it is our duty as a trustee of public lands of Alberta to establish an ecological reserve in this area.

The Alberta government recognizes that preservation of natural environments and the plants and animals they sustain is fundamental to advances in industries such as agriculture, forestry, and medicine. As such, these protected areas serve as outdoor classrooms and laboratories for environmental education and scientific research. They also allow us an opportunity to study how natural processes shape our environment. With more than 275 kinds of native plants, over 85 species of birds, and a variety of mammals found on the site, Albertans will be able to preserve a habitat for these purposes. Most important of all, Mr. Speaker, the establishment of ecological reserves across Alberta is tangible evidence of Alberta's commitment to share the land with its other inhabitants.

Mr. Speaker, I would like to take this opportunity to acknowledge and thank the 12 members of the Advisory Committee on Wilderness Areas and Ecological Reserves for their support and continuing work on the committee. The guiding principle of the advisory committee is reconciling the system of wilderness areas and ecological reserves in Alberta with the many interests of the public as a whole. As representatives of the citizens of Alberta their knowledge and support are invaluable.

Mr. Speaker, I look forward to working with the members of the advisory committee and all Albertans in protecting Alberta's environment through the Rumsey ecological reserve.

MR. MARTIN: Mr. Speaker, in replying to the ministerial announcement – I don't have it front of me – I would say we certainly support it, as the minister would be well aware. It's been raised by my colleague a number of times in the Legislature. We certainly support this proposal around Rumsey as there aren't many original ecological areas left in the world, frankly. We are still fortunate that we can protect an area like Rumsey.

But I would say to the minister that there are still 14 of 17 ecological zones not well enough protected in the province, and I hope that when we're looking at Rumsey, this is a start into looking into some other areas. It's not, as the minister said at one time, that wilderness protection is a land grab. I take it now, by his new announcement about Rumsey, that he no longer considers that a land grab, Mr. Speaker. But we will look forward.

Again, we certainly support this initiative. I congratulate the minister for it, and we look forward to activity in the other 14 areas.

head: **Oral Question Period**

MR. SPEAKER: The Leader of the Opposition.

Mortgage and Housing Corporation

MR. MARTIN: Yes, Mr. Speaker. To the Minister of Municipal Affairs. Yesterday the minister announced the sale of

certain assets of Alberta Mortgage and Housing Corporation, and frankly over the last few years Albertans have watched in horror as more and more tax dollars were pumped into AMHC. It really was the next best thing to a bottomless pit. The figures are staggering: up to the present time \$830 million has been used for write-downs and losses; the corporation has a total debt of 4 and a half billion dollars. If there was ever a glowing example of mismanagement by this government, AMHC is certainly it. I would suggest, though, that with the recent announcement the minister has a credibility problem, and my question to the minister is this: how is the Minister of Municipal Affairs planning to convince Alberta taxpayers that this isn't just a fire sale to cover up their mismanagement?

MR. R. SPEAKER: Mr. Speaker, to the hon. Leader of the Opposition. First of all, in asking the question the hon. leader should be clear in laying out the numbers so that they're understood by those that are recipients of those numbers. When we speak of \$4.4 billion as a debt figure, that statement is a misleading statement and it can in no way be allowed to continue. What we must understand very clearly so that the public understands and is not misled by a statement like that: those moneys were moneys that came from the heritage fund through debenture loans from the Heritage Savings Trust Fund. The obligation of the Alberta Mortgage and Housing Corporation is back to the Heritage Savings Trust Fund; those commitments to the heritage fund are being made. The shortfall in cases where property was devalued, either real estate, land, or buildings: an obligation is taken by the Treasury. We should be very clear about that, Mr. Speaker.

Secondly, when we speak in terms of the single-family mortgages of \$620 million that are being sold to the private sector starting as of today, those mortgages are of full value: \$620 million. The sale will proceed to the private sector. It is my intent at the completion of that sale by the end of 1990 to turn a sum of money – over \$600 million – back to the Heritage Savings Trust Fund. That is the intent of the announcement, and that is the commitment I made in that announcement yesterday to this Legislature. We should be clear about that, Mr. Speaker, and it's unfair of the Leader of the Opposition, though he may want to score some brownie points on a good announcement that we have made, a very credible announcement to the public of Alberta. But if he wants to score brownie points: lay it out based on the facts of the situation.

MR. MARTIN: Mr. Speaker, getting brownie points on this government, I assure you, is not a hard task ever.

The fact is: it is a 4 and a half million dollar debt. It's from your figures. It is owed, admittedly, to the heritage trust fund and general revenue. I don't know how you're ever going to pay it back, Mr. Speaker, when you don't have any assets. You're selling off all the profitable assets and keeping the dogs. I mean, this is a debt that we'll have forever. But the fact is: clearly from their own figures that debt is around 4 and a half billion dollars; you can't get around that, Mr. Speaker. I want to ask the minister this: can the minister tell Albertans, and give us the figures, just how many of their tax dollars Albertans will have had to cough up for AMHC, thanks to this government's mismanagement?

MR. R. SPEAKER: Mr. Speaker, when an individual takes a loan from a lending institution, whether it be in this case the Heritage Savings Trust Fund or a bank – Toronto Dominion, Nova Scotia – you have an obligation to repay that debt.

There's an obligation on the part of the Alberta Mortgage and Housing Corporation to repay the Heritage Savings Trust Fund, and the steps I am taking in the review as the minister responsible have that intent in mind. One of the first major steps we are taking is the step taken yesterday whereby we are selling \$620 million of single-family mortgages which will return to the Heritage Savings Trust Fund a major payment of over \$600 million. That's putting the money in place.

Now, some of the portfolio lost value after the year 1981 and part of 1982 on investments. In that part of the portfolio there is a major portion of what is called unfunded debt. We do not know what the funded debt will be until the assets are dealt with. That is why in the review and in the administrative steps and in the policy that's being carried forward by this government through cabinet, through caucus, our intent is to remove as many assets and sell into the private market those assets and recover a major portion of the investments. What we have to recognize: in the last annual report the unfunded debt was somewhere in the vicinity of \$600 million. We cannot at this point say what the funded debt will be until we deal with the assets. In my estimation it will be much less than \$600 million. [interjection] So any type of statement from the . . .

MR. SPEAKER: Thank you, hon. minister. Order please. [interjection] Order. Save some for the final supplementary.

MR. MARTIN: I could imagine getting that answer if the member was sitting over here, Mr. Speaker.

Mr. Speaker, the minister avoided the question. As of March 1989, \$1.73 billion of taxpayers' money had been thrown at this mess. It's now \$2.1 billion, and right now the government is selling off the viable assets in the mortgage portfolio and making the taxpayers hang on to the nonperforming duds. I don't know how you're ever going to knock a debt down doing that, Mr. Speaker. My question to the minister: how does selling off the best of the assets in the mortgage department and keeping the worst of the portfolio make economic sense to the taxpayers of Alberta?

MR. R. SPEAKER: Mr. Speaker, the responsibility that I have in dealing with this matter is to take each item one step at a time. In the major portfolio of mortgages the total portfolio is valued over \$2 billion. A major part of that portfolio – \$1.2 billion – is one that we're dealing with as well.

In the question and the preamble of the hon. Leader of the Opposition his facts and descriptions tell me very clearly that he doesn't even understand what's going on. So how in the world can I even answer the question that he raises? Where he comes up with \$1.7 billion – I don't know where he finds that. When there's credibility to the question, Mr. Speaker, then . . . [interjections]

MR. SPEAKER: Order. [interjections] Order.

MR. R. SPEAKER: . . . I can give some credibility and credence to the answer. But the way the question's asked, the hon. member doesn't even understand what he's asking.

MR. MARTIN: Mr. Speaker, it was an answer that was given by the government to a written question, but I guess you can't believe them then.

Stelco Steel Recycling Plant

MR. MARTIN: Mr. Speaker, my second question is to the Minister of the Environment. There's a very interesting open

letter published in the press today from the general manager of Stelco in Edmonton. The company claims its future in this city is uncertain thanks to government actions that will result in enormous increases in their cost of electricity. Mr. Speaker, the Minister of the Environment must be familiar with the company; it recycles used steel from a wide variety of sources, an activity, I hope at least, that the Minister of the Environment supports. I'm also assuming the minister would oppose any government initiatives that would result in the company shutting down and moving its operations to another province, as he says he believes in recycling. My question to the minister is this. What is the minister doing to ensure that this valuable recycling company will still be viable in the face of government plans to hike electricity rates?

MR. KLEIN: Mr. Speaker, with respect to the environmental components of this particular situation, I will have to take that under notice. I haven't read the article to which the hon. member alludes, and I'll have to take that under notice. But with respect to the energy component of the question, I would like to defer to my colleague the hon. Minister of Energy.

MR. MARTIN: Mr. Speaker, I take it your high-paid advisers look through things. It's a rather major document.

I'm not sure who to ask or who's in charge of what over there anymore, Mr. Speaker, but I want to stay on the recycling end of it because the minister has told us that he will be bringing in some initiatives. I would point out to the minister that 570 Albertans are employed here, that losing this company would be a serious loss both for our environment and our economy. We've had plants shut down in Alberta: a recycling plant in Medicine Hat, plastics recycling in Edmonton, and now this could be the next. My question, then, to the minister: is the minister prepared to go to cabinet and use his responsibility as the Minister of the Environment and suggest that something should be done about the particular electricity rate increases to keep this company viable in Alberta? Is he prepared to do that?

MR. KLEIN: Mr. Speaker, with respect to the recycling component and from an environmental point of view, of course we're keen on seeing recycling industries maintained in this province. As a matter of fact, that's the objective of the proposed comprehensive waste minimization and recycling program. We'll be reading and hearing and seeing a lot more about that in the not too distant future.

With respect to the energy component it's something that I will have to discuss with my colleague the hon. Minister of Energy and do a full-scale examination of the facts. I'm sorry; I have not had a briefing on this particular situation. I haven't had a briefing on anything today; I've been caught up in a number of other things. I would like to have the opportunity to talk to my department, to discuss this matter with my colleague the hon. Minister of Energy and my other colleagues in government.

MR. MARTIN: Mr. Speaker, this shouldn't come as a surprise. People have been complaining. I'm not going to get into the Bill that will be debated later on; it has to do partly with Bill 26. The minister should have been aware of that to begin with.

Following up from the minister, then, and taking his word that he will discuss this with his colleagues, would he be prepared, after looking at this, to make the case to cabinet to give this recycling company and other Albertans who will be hurt by this hike in electricity a chance to state their case before these

increases are pushed through? Will he give his commitment that he would stand up and do that in his role as the Minister of the Environment?

MR. ORMAN: Mr. Speaker, the question should more appropriately be dealt to the Minister of Energy, in that firstly . . . The Leader of the Opposition is misleading this Assembly; he is making some allegations, firstly, that somehow the government sets the rates for utilities in this province. I can tell him and he well knows that the Public Utilities Board sets rates in this province. I'll also tell the member that in the event there is a series of rate increases that do occur in this province, it will still mean that Alberta will have the lowest level of electrical generation for industrial . . . [interjections] Read my lips: we will have the lowest level of industrial rates in the country. That's anticipating any increases that the PUB have before them, whether or not they agree with those increases.

Mr. Speaker, this is the place to be in 1990, high electrical rates or not. We keep the electrical rates low; that's one part of the component. We are a percentage point away from the lowest corporate income taxes. We have Nova planning a \$2 billion to \$3 billion expansion of their pipelines, Mr. Speaker. If I was in the steel business, I'd want to be in this province right here.

MR. MARTIN: Mr. Speaker, I think that he should withdraw "misleading this Assembly." I know I would certainly have to if I had brought it up.

MR. SPEAKER: Hon. Minister of Energy, how would you like to do it?

MR. ORMAN: I withdraw the comment, Mr. Speaker.

MR. SPEAKER: Calgary-North West.

Property Tax

MR. BRUSEKER: Thank you, Mr. Speaker. My question today is to the Minister of Municipal Affairs. In 1988 there were some amendments made to the Municipal Taxation Act that affect the property tax payable by properties that were leased by municipalities to secondary users. Now, although the intent of this move was a positive attempt to clarify some inequities, it's ended up creating more problems than it has solved. From some conversations I've had with a variety of municipalities including the city of Calgary and the city of Edmonton, it's clear now that there are several administrative nightmares that have resulted from the changes that occurred in 1988. My question is simply this: given that the mayor of the city of Calgary, His Worship Al Duerr, has contacted the minister about this issue, what does the minister intend to do to clarify and rectify this very serious situation?

MR. R. SPEAKER: Mr. Speaker, the hon. member raises a very important concern with regards to taxation. I've given the commitment to the mayor and others that have been in contact with me that I would review that matter and try and clarify it the best I could, and if it needs a legislative change, at the appropriate time I'd be willing to do that.

MR. BRUSEKER: Well, I'm glad to hear that, Mr. Speaker. Since the concerns that have been raised by the municipalities could result, in fact, in the municipalities that are affected

incurring an additional expense regarding the school foundation levies, is the Minister of Municipal Affairs going to meet with the Education minister to consider some method of reimbursing those municipalities for those extra costs?

MR. R. SPEAKER: Mr. Speaker, we haven't determined what the extra costs would be at this point in time, but it would certainly be my intent as we work through the difficulty to have a conversation with the Minister of Education on the matter and try and do it as quickly as we can to give notice to the municipalities as to what can be done and what cannot be done at this time.

MR. SPEAKER: Final supplementary.

MR. BRUSEKER: Thank you, Mr. Speaker. I'm glad to hear that the minister is considering amendments. Will he also agree to meet and consult with those municipalities that are affected? Because I think they can have the greatest input on possible changes that are necessary.

MR. R. SPEAKER: Mr. Speaker, that's certainly a good suggestion. I have met with some of them up to this point, but prior to finalizing the decision, I can give the hon. member a commitment that I'll meet with any municipalities that he would recommend or any other persons that I have on a list that I've been tabulating.

MR. SPEAKER: Clover Bar.

Cooking Lake Natural Area

MR. GESELL: Thank you, Mr. Speaker. To the Minister of Transportation and Utilities. Appropriate road right-of-way is required and was designated from the Cooking Lake natural area in 1987 for the proposed improvement of secondary road 630, which is an important transportation link in Clover Bar. The standards for secondary roads both for design and for right-of-way are set by the minister through his department. Can the minister advise this House, the county of Strathcona, and my constituents that there will be adequate road right-of-way for the Wye Road for essential proper road design so that the safety of the traveling public is assured?

MR. ADAIR: Mr. Speaker, county roads are the responsibility of the county, and they are to provide for any right-of-way, whatever it may be, within the terms and conditions of the agreement. So I would suggest that if the county were asking for upgrading of a secondary road, they would have to access, obtain, pay for, free of all encumbrances, the right-of-way for that road.

MR. GESELL: Well, Mr. Speaker, perhaps I should shift to the Minister of the Environment on this matter. The minister has received representation, including a petition, from residents in my area with respect to the 12.9 acres for road widening required for secondary road 630. It's claimed that such widening will destroy unique water plants. In response to a question yesterday, the Minister of Forestry, Lands and Wildlife assured me that in his department's view the widening will not eliminate endangered and threatened species of plant wildlife. Would the Minister of the Environment advise if he will require an environmental impact assessment for the proposed upgrading of secondary road 630?

MR. KLEIN: Indeed, we have received a petition and other representations from people in the area relative to Wye Road. The department now is assessing the situation as it pertains to environmental concerns, and hopefully they will have a recommendation to me very soon with respect to whether an environmental impact assessment is required.

Worksite Safety

MR. GIBEAULT: Mr. Speaker, my questions are to the minister of Occupational Health and Safety. I note that the Occupational Health and Safety department has responded to the recent asbestos exposure of Suncor workers by announcing that the government plans to bring in improved asbestos regulations – regulations that have not been changed since 1982. However, upon checking with the asbestos workers and their union, I was shocked to find out that indeed the department and the minister himself have refused to allow them, the very people who are going to have to deal with asbestos, to examine these draft regulations and to offer their input. So I'd like to ask the minister: since he says his door is open but it appears his mind must be closed, can he explain why he won't give these workers the opportunity to review these draft regulations and offer their input? Is it because he's not really serious about improving these regulations?

MR. TRYNCHY: Mr. Speaker, you know, every question the hon. member across the way asks, he has to add an insult to, and he's added another one this time. I've asked the department to work with everybody in regards to asbestos regulations, and they are out now for review by the workers, by unions, by industry, and by government, and they should be coming forward. So to suggest that we don't have an open door is wrong, and to suggest we're not moving with it is wrong.

MR. GIBEAULT: Well, that's another typical answer from this minister.

Mr. Speaker, given that in the past year in this province we've had workers who have been chlorine gassed, lead poisoned, asbestos exposed, crushed, maimed, and burned to death, can we ask this minister why, since he's been minister for 14 months, he hasn't introduced one single new health and safety regulation, not one?

MR. TRYNCHY: Well, Mr. Speaker, taking over the portfolio some 14 months ago, we have on file a number of regulations that I'm looking at. What we're doing is having the industry involved, having the tradespeople involved, and having the workers involved. As we go through those steps, those regulations will come forward, but to suggest we have to introduce something – we will when we're ready, and it will confirm the wishes of Albertans.

MR. SPEAKER: Calgary-Buffalo.

Electric Utility Rates

MR. CHUMIR: Thank you, Mr. Speaker. This is further to a question already raised by the Leader of the Opposition that relates to the full-page ads in the paper today by Stelco, which expressed concern about the proposed 35 percent increase in electrical rates. Now, increased rates are impacting businesses not just in Edmonton but all over the province. The federal and provincial governments have been adding to this problem by

their recent policies which are putting privately owned electrical utilities in Alberta at some disadvantage in respect of almost all other electrical utilities across the country, which are publicly owned and not taxable. I'm wondering if the Minister of Energy would care to enlarge on his earlier comment and answer this question, and that is: since the minister states that we have the lowest energy rates in this country and that this does help our competitiveness, why are we moving to eliminate or reduce this advantage we have by increasing the electrical costs of companies such as Stelco by 4.4 percent?

MR. ORMAN: Mr. Speaker, as I indicated earlier in the Assembly, with all of the proposed rate increases, including rate design, the GST, the removal of the subsidy, Alberta will continue to have the lowest rate for industrial consumers by a wide margin over any other province in this country. The Member for Edmonton-Norwood asked about Saskatchewan. Our rate in 1989 was \$83 on average per 5,000 kilowatt-hour; Saskatchewan's was \$164, Mr. Speaker. So they're not even in the ballpark.

The most important component of this is that the consumers of electrical energy in this province have not received a rate increase since 1986. The cumulative effect of inflation has been between 22 and 25 percent. I'm pleased to see the Member for Edmonton-Norwood and the Member for Calgary-Buffalo standing up for big business. I think it is very important that they recognize the importance of big business to this province.

Now, Mr. Speaker, the general manager for Stelco is doing his job. He is trying to keep his input costs as low as possible for his shareholders in every way that he sees fit. This government for its shareholders, the people of Alberta, is going to keep its costs as low as possible, moving towards a balanced budget in our next budget year. We have our responsibilities; they have their responsibilities. At the same time, again we will continue to have the lowest electrical rates for industrial consumers of any province in Canada. That's the bottom line, Mr. Speaker.

MR. CHUMIR: Mr. Speaker, this government's actions impact all Albertans, and we won't have the lowest rates if the federal government follows the province's suit and eliminates their tax rebate, and they've already frozen it. I'm wondering how this minister feels that he can go to the federal government and argue that they shouldn't fully end their tax rebate, which they've now frozen, since that's exactly the policy this provincial government is following.

MR. ORMAN: Mr. Speaker, the Member for Calgary-Buffalo might want to direct questions with regard to taxation to the Provincial Treasurer. As the member knows, we have a Bill before the Assembly that deals with this issue, and I'm sure he'd be pleased to respond to the hon. member.

All I can say, Mr. Speaker, is that decisions as to where corporations locate are based on a number of criteria. One is the taxation regime. We have the lowest in the country corporately. We're within a percentage point of British Columbia, which is the lowest in the country. Prospects for growth: this province will lead economic growth in this country in 1990. We lead the country in level of educational attainment, Mr. Speaker. A skilled labour force is a key component. We spend more on education than most other jurisdictions. These are all considerations, not just the input costs. We keep all skills of prospective employees high, and we keep input costs low, such as taxation. All of these contribute to the attractiveness of Alberta, and that's what we will continue to do. Now, if the members

opposite were making a case that Alberta was leaping to the highest level of industrial consumption for electricity, Mr. Speaker, we would have to listen to the argument, but we will continue to be the lowest.

Let me conclude by saying that members opposite know that the Public Utilities Board has quasi-judicial powers to make decisions on what the utility rates would be. Given the assumptions that the members are making, the PUB may consider all of them or not and flow through a rate increase. If they do, I'd still want to be in the province of Alberta if I were doing business today.

Agricultural Assistance

MR. PASZKOWSKI: Mr. Speaker, after some tough negotiations on behalf of our farmers of Alberta our Minister of Agriculture was able to develop a joint federal/provincial farm aid program of \$100 million. Bills are coming forward – fertilizer bills, fuel bills, the usual spring seeding bills – and farmers are in need of this money at the present time. Could the minister perhaps give us a bit of the current status as to what the situation is with this announcement?

MR. ISLEY: Mr. Speaker, I can share with the House that the final agreements have been signed off by Agriculture Canada, I believe as recently as yesterday. There is a significant number of applications that are currently being processed, and we should have cheques flowing in the not too distant future.

MR. SPEAKER: Supplementary, Smoky River.

MR. PASZKOWSKI: Thank you, Mr. Speaker. To the Minister of Agriculture: what do you mean by "the not too distant future"? The farmers are in need of money. They have to talk to their bankers, they have to talk to their fuel agents, and they have to talk to their fertilizer dealers. I'm sure that "not too distant future" is not adequate. Could you perhaps give us some added insight as to just how soon they may expect some of this money to start flowing?

MR. ISLEY: Depending on when the agreement is couriered back today, the first of the cheques may hit the mail tomorrow. If they don't start flowing tomorrow, they will be flowing on Tuesday.

Lubicon Band Land Claim

MR. HAWKESWORTH: Mr. Speaker, the final result after many months of talk between the province and the Lubicon is that yesterday the government advised the Lubicon that it rejects the land settlement proposal the band had prepared for discussions with the province. It further appears that the province is not willing to even offer counterproposals to the items it objects to, so it leaves the Lubicon in exactly the same position they were in in 1988, when they set up their blockade. I'd like to ask the Minister of Federal and Intergovernmental Affairs if the minister would explain to the Assembly: what use is it for the Lubicon to talk with the government if the government is unwilling to actually negotiate by offering counterproposals to the ones tabled by the Lubicon?

MR. HORSMAN: This matter is being dealt with by the Attorney General, and the Acting Attorney General will take the question as notice.

MR. SPEAKER: Supplementary.

MR. HAWKESWORTH: Thank you, Mr. Speaker. I guess it appears that the government is content to do nothing but talk and delay endlessly and continue to bank the royalties that they're getting from oil wells on land never ceded by the Lubicon people.

Could the minister, then, inform the House how the Lubicon people are to interpret the arbitration process, which apparently the provincial government has proposed, as being nothing other than a delaying tactic, especially when arbitration, which is what the government is suggesting take place now, has been proposed three times already and has always been rejected by the federal government?

MS McCOY: Mr. Speaker, I will take that question as notice also.

MR. SPEAKER: Edmonton-Jasper Place, followed by Westlock-Sturgeon.

Alberta-Pacific Project

MR. McINNIS: Thank you, Mr. Speaker. The government has indicated that a decision will be announced on the AI-Pac project later this week or early next week, one suspects as soon as the House has risen. It's becoming quite clear that the government intends only a quick and dirty review of the project to ignore all of the concerns of the EIA review board on oxygen, on nutrients in the river, on heavy metals, aboriginal people, and of course the forest management agreements. AI-Pac would not have a project without a forest management agreement, and people in Alberta have been crying out over the past year to have an open public review of these forest management agreements. In fact, the Daishowa FMA is in court for that very reason. Will the Minister of Forestry, Lands and Wildlife assure this House that he will not sign another 20-year forest management agreement for AI-Pac without the type of public review recommended in recommendation 9.4.5 of the AI-Pac EIA Review Board report?

MR. FJORDBOTTEN: In due course we'll be announcing our response to the AI-Pac review board report, and the hon. member will just have to wait until he hears that answer. In addition to that, I've stated clearly that I'm prepared very soon to announce the public process for forest management planning. That's coming soon. I ask him again: just be patient.

MR. McINNIS: Well, in due course, Mr. Speaker, every last stick of timber in this province will be given away by this government to the international pulp industry.

The minister has been quite successful in avoiding the light of public scrutiny to date. FMAs are not subject, for example, to the natural resources conservation board. There is a Berlin wall around the secret negotiations that are being undertaken by this minister and this government. I suggest in view of the fact that the . . .

MR. SPEAKER: Hon. member, please. End of paragraph two. Let's get to the question.

MR. McINNIS: You caught me in the middle of the question. In view of the fact that the real Berlin wall has come down, I

wonder if the minister could say how long he thinks the Berlin wall can stay up around his department?

MR. FJORDBOTTEN: Mr. Speaker, I'm getting sick and tired of this member's actions. He doesn't care about what's good for Alberta; he only cares about trying to stonewall and kill projects. [interjections]

MR. SPEAKER: Order.

MR. FJORDBOTTEN: I listened carefully to his question, and now he'll have to listen to my answer. We don't give timber away in this province. It's priced competitively and he knows that. There's no Berlin wall around any projects in this province. The public participation process that's coming will open it even further. I ask him again: just be patient.

Disaster Assistance to the Northwest

MR. TAYLOR: Mr. Speaker, my question is further to the hon. Member for Smoky River's, that discussed one form of aid to the farmers in the north, but there are two other avenues of funds to flow to the farmers that have been drowned out. The other is the disaster fund, run by the hon. minister of public works. From my surveys, plus talking with Unifarm and NFU officials up there, apparently only 50 percent of the money has been remitted. Now, this disaster was last fall; that's over six months ago. Could the minister explain what the foul-up is and what's happened to the cheques?

MR. KOWALSKI: Mr. Speaker, I think the importance of this is fact, first of all. When this program was announced several months ago, the Premier talked about a program in the value of \$15.9 million. To date we have now allocated \$18.9 million under this program.

MR. TAYLOR: Allocated.

MR. KOWALSKI: Those are cheques sent, Mr. Speaker, dollars paid. That deals with 2,423 files.

In addition to that, Mr. Speaker, to date as well, 124 farmers have been assisted under the disaster assistance loan program, which is administered by the Alberta Agricultural Development Corporation, and the total portfolio value of that is \$3.654 million. So if you added those two figures together you'd be looking at approximately \$21.6 million. I indicated a few days ago that it was my hope to have basically all of it cleaned up by the end of June, which is just several more days, and that's my intent.

MR. SPEAKER: Supplementary.

MR. TAYLOR: Thank you, Mr. Speaker. Allocated is not sent; it's not in their pocket.

The second part of the program is, I believe, under the Minister of Agriculture. My understanding is that about 25 percent of the payments for crop insurance still have not arrived. Also, the Minister of Agriculture is using the excuse that the federal government is what keeps them from paying more money for what is not ready for seeding, yet the province was able to extend dates for crop insurance. So where does this minister think he's getting off with blaming the federal government on crop insurance when it is within the prerogative of his department to be able to open up the coffers a bit more to help these

people?

MR. ISLEY: Mr. Speaker, once again the hon. Member for Westlock-Sturgeon knows nothing about what he speaks. The Alberta hail and crop insurance is a joint federal/provincial agreement. One side cannot change rules without the other side. The extension of the seeding date from June 20, I believe, to June 25 was a negotiated extension between the partners in that crop insurance program.

The hon. member may be right that certain farmers have not received their payouts from 1989 on the drowned out areas in the Peace River region. The hon. Associate Minister of Agriculture and myself toured that area about two weeks ago. Following that tour, the final decision was made that anyone that hadn't managed to harvest their crop, that crop would be written off because it was now beyond the point of recovering virtually anything out there. That means the appraisers have to go out and do the final assessments, the final write-offs before the final cheques arrive.

I would say, Mr. Speaker, before I sit down, that there is an ongoing problem in small sections of the Peace that we are assessing at the moment because there are some producers up there that not only failed to get last year's crop off, but the land was still too wet to do anything and start putting in this year's crop.

Let me close by suggesting to the hon. member: let's research something so he can ask one good question before the House adjourns.

MR. SPEAKER: The Member for Wainwright.

Free Trade

MR. FISCHER: Thank you, Mr. Speaker. My question is to the Minister of Economic Development and Trade. During the last federal election the free trade issue was extremely controversial, and it was mainly because of the uncertainty on how companies would be able to step out and compete in the larger, unknown marketplace. What is your department doing to help Alberta companies take advantage of the U.S./Canada free trade agreement and to reduce that uncertainty?

MR. ELZINGA: Mr. Speaker, as this government does with all segments of the population in the province of Alberta, we work very closely with the private sector in making sure that they do have an opportunity to access that greater market in the U.S. Over the last number of months we've had some 23 Let's Talk Trade seminars whereby we have involved in excess of 1,000 registrants. We've also worked with in excess of some 3,000 companies in the province of Alberta. In conjunction with the federal government we do conduct trade missions, both incoming and outgoing, to the U.S. We recognize the importance of the U.S. market, and we are working hand in hand with the private sector so that our producers have greater access to markets other than our own.

MR. FISCHER: Supplementary. I would hope that these efforts are resulting in penetrating new markets. What effects are these initiatives having on the creation of new, productive jobs in this province?

MR. ELZINGA: Mr. Speaker, it was, I believe, somewhere in the vicinity of a month ago that the critics of the free trade agreement suggested that there were some jobs lost because of

the trade agreement with the U.S. There is no denying that some jobs were lost in some specific sectors, but what we have to do is look at the net effect, and Stats Canada reports over the past year that in excess of 400,000 jobs have been created on a Canada-wide basis. In addition to that, if we examine the exportation of our goods, we've exported to the U.S. an increase of some 4.1 percent, '89 over '88. Unemployment fell, and we have had the realization of additional jobs being created both in the province of Alberta and on a Canada-wide basis.

MR. SPEAKER: Vegreville.

Game Growing Industry

MR. FOX: Thank you, Mr. Speaker. In response to questions I asked the other day about the escape of some 25 captive elk from a game ranch in the Kitscoty area, the Minister of Forestry, Lands and Wildlife said, and I quote from *Hansard*: "There's some investigation under way right now with respect to vandals who opened up a gate." The Minister of Agriculture repeated the allegation about vandalism in debate later that evening. Vandalism is a criminal act, and our contact with the RCMP detachment in Kitscoty indicates that there is no investigation under way and that they consider it to be an accident. Now, I'd like both ministers to confirm on the record that there is not, in fact, an RCMP investigation into this matter going on and, further, that they did not mean to imply by their allegations that opponents of game ranching were somehow responsible for this.

MR. ISLEY: Mr. Speaker, I would ask the hon. member to check anything I said in debate the other night. I at no time suggested that an investigation was going on. I did suggest that there were some allegations that a vandal may have opened a gate. I didn't suggest where that vandal may have come from.

MR. FOX: Mr. Speaker, perhaps both ministers will have a chance to read my comments carefully and examine their actions in that light.

They both refer to the fact that these elk were somehow vasectomized, and I commented that, you know, what these elk may lack in ability, they make up for with enthusiasm. However, contact with the owners of the elk ranch suggest that they are not in fact vasectomized; they are fertile, breeding elk. I want to point out that our concern is not with the threat posed or not posed by these elk in that particular area, but surely the ministers have to admit that if we're going to raise elk in captivity, there is a very real threat that those populations will mix with the wild populations and that there needs to be a scientific assessment of the impact on our precious wildlife resource.

MR. ISLEY: There again, Mr. Speaker, the hon. Member for Vegreville is totally incorrect in what he said about both ministers talking about elk being vasectomized. I have difficulty pronouncing . . .

MR. MARTIN: You can't believe *Hansard*, Ernie?

MR. ISLEY: Have you ever read *Hansard*, buddy? You try reading it.

So again, I would suggest the hon. member check *Hansard* before he starts making wrong accusations. Let me also just underline – and I did say this in *Hansard*. The fact that these

types of escapes or these types of acts may occur reinforces the importance of keeping the genetic purity of the animal. As has been stated before in the House and as is outlined clearly in the Bill, the responsibility for that genetic purity stays with Forestry, Lands and Wildlife.

MR. FJORBOTTEN: I'd like to clear up any misconception there might be. The one briefing note I received said that the elk were vasectomized. On further checking with my department, that is not so; they are not vasectomized. They were tested and found to be pure. Since they were pure, there was no reason to vasectomize them, so they weren't. So if I misinformed the House on that particular point, I apologize.*

The second has to do with the investigation that's under way. I didn't say there was an investigation by the RCMP or anyone else. It appears that the gates on the McAllister game farm were opened by vandals who remain unknown, and that is being looked into. I don't see where that should be anything unusual. If a game farmer were to lose that number of elk, with the cost to him, if how it happened is not being looked into and investigated, I'd be surprised.

MR. McINNIS: Mr. Speaker, a point of order.

MR. SPEAKER: Point of order.

MR. McINNIS: I want to apologize to the House. During question period I stated that the minister and the government were giving away trees under forest management agreements. That's incorrect. In fact, they're subsidizing them.

MR. SPEAKER: Not a point of order, but a point of clarification, I assume.

Orders of the Day

MR. SPEAKER: I wonder if we might have unanimous consent to revert to Introduction of Special Guests.

HON. MEMBERS: Agreed.

MR. SPEAKER: Opposed? Carried. Thank you.

head: Introduction of Special Guests

(reversion)

MR. ADAIR: Mr. Speaker, it's my pleasure to introduce to you and through you to the members of this Assembly the mayor of the town of Peace River, the home of the exciting Daishowa project, Mayor Mike Procter. I'd ask Mike to stand and receive the warm welcome of this Assembly.

head: Written Questions

MR. GOGO: Mr. Speaker, I move that the three written questions stand and retain their places on the Order Paper.

[Motion carried]

*see page 2211, right col., last line

head: **Motions for Returns**

MR. GOGO: Mr. Speaker, I would ask hon. members to note on their Order Paper that the following motions for returns stand and retain their places on today's Order Paper: motions for returns 331, 332, 334, 340, 394, 396, 398, and 399.

[Motion carried]

357. Mr. Bruseker moved that an order of the Assembly do issue for a return showing all reports and analyses the government has carried out regarding the impact of Bill 37, Alberta Government Telephones Reorganization Act, specifically sections 26, 27, and 36.

MR. STEWART: Mr. Speaker, during the course of our debate on earlier motions for returns placed on the Order Paper by the hon. Member for Calgary-North West, we raised the difficulty in responding to some of these motions for returns on the basis of the nature of the studies and assessments that were ongoing throughout a period of time by a number of interdepartmental committees and individuals seeking advice where required on specific items. But again – and I don't want to be repetitive – on the basis of the reasons given in response to the two earlier motions for returns, we find this particular motion one that the government must reject.

MR. McEACHERN: There's nothing unusual in that. I guess the government didn't do any studies, but I might point out to the minister that some people did. The McPhail family, a couple in Calgary, put out a book called *Telecom 2001: A Strategic Forecast*. The minister might like to take a look at it. It tells quite a lot about the industry. In fact, I'll just read the last sentence.

An increase in its national political will,
meaning Canada,

along with select corporate encouragement, could ensure that Canada not only becomes an information-based economy, but also a stronger and more vibrant nation state in the Twenty-first Century.

I would suggest to the minister that if he took their advice to heart, what he would do is not sell AGT and fight the Unitel application, which is exactly the kind of policies he should have to go into the 21st century, not the policy of selling AGT that he's doing and doing nothing about that Unitel application, allowing global enterprises to take over and run this country's telecommunications industry in the name of competition, when in fact there will be less companies involved in the telecommunications industry in the future if we move in that direction.

MR. BRUSEKER: Finally, just a few comments, Mr. Speaker. I dealt with many of these things yesterday in third reading. The intent behind this particular motion was to look at a couple of particular sections of the Bill. Specifically, 26 deals with maintaining the head office in Edmonton. Again, I'm just looking for an explanation behind the rationale. In section 27 there is a particular subsection there, 27(2), that suggests that "The Telephone Company may not be continued in another jurisdiction."

Finally, in section 36, which is referred to in this particular motion for a return, there is reference to the commission and the various instruments that would be coming into force. So I'm rather disappointed that the minister has chosen not to deal with those. Clearly, there must be some indication of determination

of how these came into being. It's most unfortunate, Mr. Speaker, and I register my disappointment once again that the minister has chosen not to deal with these.

[Motion lost]

365. Mr. Bruseker moved that an order of the Assembly do issue for a return showing copies of all studies done by or for the government or Alberta Government Telephones relating to market conditions that will determine the price of shares in AGT.

MR. STEWART: The difficulty with respect to this particular motion is that it's forward-looking to the point at such time as the issue will come forward onto the market. Obviously we're monitoring the market from the standpoint of interest rates and other factors that will be pertinent to the issue and the timing of that issue and indeed the amount of that issue and the price of the shares that will in fact follow that. But at this point in time, other than monitoring that situation and assessing it on a very regular basis, there's no way in which we can table anything at this point in time that would in fact be helpful to the hon. member.

[Motion lost]

366. Mr. Bruseker moved that an order of the Assembly do issue for a return showing a copy of all correspondence exchanged between the federal Minister of Communications and the provincial Minister of Technology, Research and Telecommunications on the proposed telecommunications Act, detailing the manner in which the telecommunications policy will be applied and how the Canadian Radio-television and Telecommunications Commission would regulate Alberta Government Telephones.

MR. STEWART: Mr. Speaker, this particular motion for a return relates to correspondence exchanged between the federal Minister of Communications, the Hon. Marcel Masse, and myself in respect to the telecommunications Act and also with respect to the manner in which telecommunications policy will be applied and how the CRTC will, in fact, regulate AGT. I've made reference in the course of the debates with respect to Bill 37 and also in response to the questions from the hon. members during question period that indeed we have had correspondence and meetings over a period of time with the Hon. Marcel Masse, particularly as it relates to the CRTC taking over as a regulatory body and authority for AGT in the future. In the course of that I've indicated to the members that we have received assurances from the hon. minister and also have met on many occasions with the CRTC by way of officials and myself, at least once with the commissioner and once with the deputy commissioner, and have received assurances in four specific areas. One of those is to ensure that all of the programs and services that now exist, along with all of the rates that now exist under the former Public Utilities Board orders, will in fact become part of the new regulatory regime for the CRTC and will be adopted by the CRTC immediately upon their assuming regulatory authority.

We also have received assurances with respect to all rural programs, such as the individual line service, the extended flat rate calling. In addition to that, we've received assurances from the standpoint of participating along with other ministers of telecommunications from across Canada in the development of a national telecommunications policy as embodied, firstly, in the

new telecommunications Act, which is anticipated shortly, and then thereafter on an ongoing basis, because it's important that any such national telecommunications policy, which we believe to be essential for Canada, be in fact sensitive to all of the regional needs of Canada and specifically, obviously, of Alberta.

In addition, it's recognized that in the course of taking over regulations, the CRTC will be embarking upon new areas of endeavour, having recently taken over the regulatory matters of the maritime companies, and it's required on the part of CRTC that they re-examine their mechanisms and indeed the basis of their regulations in order to ensure that they can properly reflect the regulatory needs throughout Canada and, again, specifically Alberta. It's a process that does need to be examined, the mechanisms have to be examined, and we will be participating in a group of experts to look to these particular regulations and processes of CRTC as they now exist and to see if improvements can't be made in order to make their regulation more effective and efficient.

Also, Mr. Speaker, we have received assurances from the hon. minister that the CRTC will in fact have a presence here. It will not be a matter of trundling down to Ottawa-Hull on every occasion to meet with CRTC on regulatory matters, and I think it's important to have CRTC's presence, a physical presence here with resident Albertans as commissioners, to carry on the work of CRTC.

Now, Mr. Speaker, the motion for a return requests the copies of all of the correspondence that relates to this and other matters. I have been in touch with the hon. minister from the standpoint of releasing information such as here, and I am hopeful he will agree that that can be released, and as soon as I receive his consent, I will probably be tabling or providing copies for the hon. members at that time.

MR. SPEAKER: Calgary-North West, summation.

MR. BRUSEKER: Thank you, Mr. Speaker. I'm pleased to have that commitment from the hon. minister. The rationale behind this particular question is that with the privatization initiative we're seeing a change in the regulatory body of who is going to be looking after the rates and setting the rates for AGT, and I believe there's some discomfort amongst Albertans regarding that. Having made those comments today, I would urge the minister to make those available to Albertans. There is an old saying: better the devil you know than the devil you don't, and I think there are some people who are a little concerned about the change in the regulatory authority from the Public Utilities Board now to the CRTC. If the minister can make those documents available for the comfort and benefit of all Albertans, I think most people will be very pleased with that.

[Motion lost]

367. Mr. Bruseker moved that an order of the Assembly do issue for a return showing documents relating to the value of all fixed assets of Alberta Government Telephones to be used in determining the share value.

MR. STEWART: Mr. Speaker, if one were to have a valuation of each and every fixed asset, including lands, equipment, buildings, et cetera, of the Alberta Government Telephones, that expense in itself would be almost prohibitive. I would also point out that the value of the assets is but one aspect of the determination of ultimate share value, which will in fact be part of the offering. The share value has not been fixed even as yet.

The whole matter of the valuation of the shares will be determined at the time the offer is made to the public to participate in the purchase of shares of the new AGT, and that share value will in fact reflect the appropriate value of all the ongoing operations. Rate of return is one of the factors as well, rate of return on assets and other financial matters that normally would be considered when determining such share value.

MR. SPEAKER: Calgary-North West, summation.

MR. BRUSEKER: Yes, Mr. Speaker. In summation, the concern expressed to me from some individuals regarding the sale of AGT is: are we really going to be getting the true value for this company when we sell it off? There have been some concerns raised about the sale of Alberta Mortgage and Housing Corporation; are we getting a true value? I think the public has the same concern here, that in fact since we've now completed third reading and it appears we're headed down the path towards selling this company off, are we really going to be getting the value for the dollars we have invested in this particular company? By making this kind of information available, it would assuage some of the fears individuals have regarding that concern.

[Motion lost]

368. Mr. Bruseker moved that an order of the Assembly do issue for a return showing all documents, correspondence, and annual reports associated with intercorporate or inter-government transactions between Alberta Government Telephones and Alberta Opportunity Company, SPURT investments, and Vencap.

MR. STEWART: Mr. Speaker, this particular motion, 368, relates to a number of things, some of which we would have no problem with from the standpoint of annual reports of, for example, AGT, which are a matter of public record, as well as Vencap. But it also talks in terms of "all documents" – I presume that would mean contracts of various natures – all correspondence. The type of documentation that is required here would be by virtue of the normal rules of precedent relating to the voluminous quantity of documentation that would be required to fully respond – it makes the motion prohibitive to accept on the basis on which it has come forward.

As well, Mr. Speaker, a number of these documents would presumably be of an internal character between Alberta Government Telephones and, for example, Alberta Opportunity Company, as is mentioned here. Those sorts of documentation are internal through the respective organizations. They are both Crown agencies operating with their own boards or commissions, and accordingly the government must reject 368.

[Motion lost]

369. Mr. Bruseker moved that an order of the Assembly do issue for a return showing all documents detailing the profit or loss associated with investments by Alta-Can Telecom Inc.

MR. BRUSEKER: Mr. Speaker, maybe I'll just speak briefly to it. Alta-Can Telecom is a subsidiary of AGT and, therefore, is involved with the privatization process. What we're looking for here – and if I can just stray to 370 as well – is information as to the profitability of selling this particular company off. So

what we're looking for is information that might lead us to a decision down the road.

MR. STEWART: Mr. Speaker, as is customary with subsidiary corporations such as Alta-Can Telecom Inc., the financial affairs of that corporation are reflected on a consolidated basis, usually with the report, in this case, of AGT. On the basis of that, the type of information the hon. member seeks would be reflected, I recognize, on a consolidated basis, but other than that I don't think it's a motion we can provide. I will check into that a little bit further, though, and if indeed there is a separate annual report for the company, then I don't see any reason why it wouldn't be forthcoming, and we'll have to look at it. I'll have to check into that, Mr. Speaker.

Perhaps on that basis it could be left on the Order Paper until I have a chance to respond more specifically to it. I'll move that it stand and retain its place, and the same with 371.

MR. SPEAKER: I think we can only do them one at a time, hon. minister. Thank you.

[Motion ordered to stand]

370. Mr. Bruseker moved that an order of the Assembly do issue for a return showing all annual reports of Alta-Can Telecom Inc. and its affiliated companies from incorporation to 1989.

MR. STEWART: Mr. Speaker, I apologize to the hon. member. Motions 370 and 371 are in the same sort of a classification as the one that was referred to earlier. Therefore, I move, with apologies to the hon. member, that 370 and 371 stand and hold their places.

[Motions ordered to stand]

372. Mr. Bruseker moved that an order of the Assembly do issue for a return showing a copy of the engineering studies that determine the rate of depreciation on equipment used by Alberta Government Telephones.

MR. SPEAKER: Calgary-North West.

MR. BRUSEKER: Thank you, Mr. Speaker. What we're talking about here with respect to rate of depreciation is a motion for a return, because the equipment that we're dealing with here is largely computerized equipment. It's such a rapidly advancing technology that we're seeing that almost as soon as it comes in the door and is finally set up and becomes operational, it's obsolete. Therefore, I'm wondering if there are some tables here that look at consideration of the value today and the rate of depreciation looking at it down the road. I'm aware that for income tax purposes there are depreciation tables for various kinds of equipment, and I'm wondering if either the minister in charge of AGT or the Treasurer has information pertaining to this particular type of equipment.

MR. STEWART: Mr. Speaker, I don't know that I can get into a description at this point in time with respect to the determination of the rates of depreciation on various equipment. Some of those rates are in fact determined by the Income Tax Act or indeed the regulations to the Income Tax Act. Any such studies that may exist in respect to determining rates of depreciation, engineering studies, as are requested here, would in fact, though,

be documents internal to Alberta Government Telephones. Therefore, I would request that all members reject this particular motion for a return.

[Motion lost]

373. Mr. Bruseker moved that an order of the Assembly do issue for a return showing a copy of all documents, studies, and analyses prepared by or for the government related to the privatization of Crown corporations.

MR. BRUSEKER: Mr. Speaker, this particular motion for a return looks for the decision-making process, I guess, that resulted in this particular method of privatization being selected. As the minister has mentioned in the past during debates, there are a variety of routes that could have been followed, and ultimately we ended up with one particular route being followed. So what I'm looking for here is information that relates to alternative methods that were considered by the government.

MR. STEWART: Mr. Speaker, the way this motion for a return is worded, it requests that the return provide copies generally "of all documents, studies, and analyses prepared by or for the government related to the privatization of Crown corporations," many of which obviously would fall under the jurisdiction and authority of other ministers of the Crown. Therefore, on the basis of the nature of the request being put forward by the hon. member, I would have to request that the motion for a return be rejected.

[Motion lost]

374. Mr. Bruseker moved that an order of the Assembly do issue for a return showing any studies or analyses undertaken by the government or on behalf of the government relating to Alberta Government Telephones' current toll settlement with Edmonton Telephones and the effect that impending privatization may have on that toll settlement.

MR. STEWART: No studies or analyses were necessary in this case because in fact the nature of the toll settlement arrangement with Edmonton Telephones will become an obligation of the new AGT, so that whatever the position of AGT was vis-à-vis Edmonton Telephones, it will be carried forward and become an obligation of the new AGT as it steps into the shoes of AGT insofar as these particular obligations and settlement arrangements are concerned. Therefore, on the basis of that I would request that 374 be rejected.

[Motion lost]

375. Mr. Bruseker moved that an order of the Assembly do issue for a return showing an audited financial statement and actuarial forecast of the Alberta Government Telephones pension fund.

MR. BRUSEKER: Mr. Speaker, I'd just like to make a few comments about this particular one. It's my understanding that currently the Alberta Government Telephones pension fund enjoys a rare position in that they actually have a surplus of funds and are very, very much in the black as opposed to a good number of other pension funds around the province. Now, within the legislation that we have before the House regarding AGT privatization, there are a number of references to that

pension fund and transferring it over from the publicly owned company to the privatized company, if I can use those terms even though it will be offered to the public.

There is some concern that I have with respect to a particular piece of the legislation, that being section 38(9). Again, it's one of those notwithstanding clauses that gives the minister a great deal of power. Now, I believe that those powers are limited by other pieces of legislation regarding what may or may not happen to the pension fund, but I believe that this information should be made public, and it's from the point of view that in this day and age, unfortunately, I think politicians are viewed with a somewhat jaundiced eye by the public. If this information were made public and it could be clearly evidenced that the pension fund had been transferred in its entirety from its current state to the newly formed company that will result once this privatization process and share offering is completed and shown to be completely intact, then I believe this would serve to foster the development of understanding amongst the public regarding the actions that are undertaken by government on their behalf.

MR. STEWART: Mr. Speaker, I wish to assure the hon. member that there's nothing sinister with respect to either the provisions in the Bill that was before this House, Bill 37, nor, indeed, in my response to this particular motion for a return. The situation is that all of the benefits of the pension plan that now exist will in fact be transferred over to the new corporation or corporations, and the only reason why there is the particular provision in Bill 37 to which the hon. member has referred – namely in 38(9), where it refers to the fact that there may be a direction for a new plan – is because of the corporate organization of the new AGT.

At the present time, Mr. Speaker, some of the activities and operations of Alberta Government Telephones are carried on by divisions of AGT which are not separate corporate entities but are part of AGT, and I refer, for example, to mobile as well as the directory. It's anticipated that each of those two areas will become separate subsidiaries of the new holding company in which all Albertans, we trust, will have the opportunity shortly to have an investment by virtue of the fact that there may be reorganization – indeed, will be reorganization – relative to the corporate structure of the new AGT through its subsidiaries. Then certain employees that now, for example, are employees of Alberta Government Telephones will perhaps be employees of one of the subsidiaries. It's thought that from the standpoint of their pension funds, there may in fact be a separate but identical pension plan for those subsidiaries and the employees in those subsidiaries. That will be determined and spelled out in the prospectus that will be forthcoming at the time of the issue so that all those facts are put forward and the manner of organization.

The bottom line, Mr. Speaker, is that all of the employees of AGT at the present time can be assured that all of the benefits that are now part and parcel of their pension plan and other benefits as well that they now enjoy with AGT will be fully transferred over so that there's no loss to any of the employees. The employees may have that assurance from the company and have that assurance through Bill 37 provisions that are contained therein.

MR. McEACHERN: To the minister. He says that Bill 37 guarantees that those pensions will be transferred over, but if I understood the reading of the Bill correctly, it was for those union workers that have a contract. I understand that quite a number of the union locals don't have a contract right at this

time, so one wonders if somehow they will be exempted because of that, or is there some way you can guarantee that they also will be covered? I believe that several of the union locals are working without a contract at this stage and have been for several months.

[Motion lost]

376. Mr. Bruseker moved that an order of the Assembly do issue for a return showing all documents, analyses, or studies undertaken by Alberta Government Telephones detailing the costs associated with any early retirement program or similar efficiency matters.

MR. STEWART: Mr. Speaker, the request for documentation, analyses, or studies undertaken by AGT detailing all of "the costs associated with any early retirement program or similar efficiency matters," whatever that may mean, and to the extent they may exist, are internal documentation of Alberta Government Telephones and as such are not the appropriate subject for a motion for a return.

MR. BRUSEKER: Well, Mr. Speaker, one of the reasons often given for the privatizing of a company is to make it more efficient. I believe it's well known that AGT currently has more employees per thousand lines than many other similar telecommunications companies. It's also known that typically one of the major costs any company has is related to salary settlements that have to be paid. Senior officials, members of the company typically having been around for a longer time, are in a higher category of pay and therefore are more expensive, as it were, to keep on hand, whereas replacing them with greener, new staff that come on board – those individuals are usually paid at a lower rate, and therefore there can be quite a substantial cost saving with respect to salaries. So those are the "similar efficiency matters" to which I'm referring. Clearly the government wants this company to become more efficient to be able to provide service at less cost. How they intend to do that we haven't heard, and that's the intent behind this motion for a return. So I would urge all members to support Motion for a Return 376.

[Motion lost]

377. Mr. Bruseker moved that an order of the Assembly do issue for a return showing all documents, analyses, or studies undertaken by Alberta Government Telephones reviewing the impact of integrating into the Alex network of Bell Canada.

MR. STEWART: Mr. Speaker, what is requested here, basically, is hypothetical, because the integration into the Alex network of Bell Canada is something that to my knowledge has not yet been determined. Therefore, we would have to reject 377.

MR. BRUSEKER: Again, Mr. Speaker, clearly any forward-looking company – and we keep hearing what a forward-looking company AGT is – would be interested in such possibilities. Even though they may be speculative at this time, they will be the kinds of things in which a leaner, meaner competitive company would be involved. So I'm sure that somewhere along the line AGT officials have considered this. Again I express my

disappointment at the minister's reluctance to provide this information.

[Motion lost]

378. Mr. Bruseker moved that an order of the Assembly do issue for a return showing all documents, analyses, or studies undertaken by Alberta Government Telephones reviewing costs of completing the conversion of the AGT network to fibre optics.

MR. BRUSEKER: Mr. Speaker, the AGT network, of course, is moving toward fibre optics. The minister has made reference to it on a number of occasions, as I have during estimates debates and question period during the past two years. What I'm looking for here is a cost factor that looks at a variety of things, not only installation, of course, but also maintenance. What we're looking at in installing any kind of telecommunication service is a long-term goal to provide quality service at the best cost available, and we're looking for information here regarding how AGT is moving in that direction.

MR. STEWART: Mr. Speaker, during the course of the estimates of my department, in the estimates related to individual line service, I believe, we entered into discussions as well about the network of fibre optics. As well, hon. members from time to time have requested information; notably, the hon. Member for Westlock-Sturgeon has requested information with respect to his favourite topic, fibre optics, and where those lines may be and the progress AGT is making with respect to the installation of the fibre optics network. I know that at times he's been frustrated by some of my responses in respect to that. Nevertheless, the fibre optics network has in fact been expanded on a year-to-year basis, mainly in the high-traffic areas, as we determine, of course, that fibre optics are the way of the future.

From the standpoint of completing the conversion of existing hard-line network to fibre optics, to my knowledge that has not been undertaken because they're currently utilizing the fibre optics in the installation of new line service, and it's only replaced or converted in those areas where, as I said before, there may be a reason by virtue of the high density of traffic on particular lines at any given time. So again, Mr. Speaker, to my knowledge there is no documentation or there are no studies relating to completing the total conversion of the AGT network as it now exists, hard line, to fibre optics.

[Motion lost]

379. Mr. Bruseker moved that an order of the Assembly do issue for a return showing a detailed schedule of Alberta Government Telephones' long-term debt, including the amount, holder, interest rate, and maturity of all debentures.

MR. BRUSEKER: Mr. Speaker, this particular motion for a return may in fact be one of the most important motions for returns that I have placed before this House. AGT currently staggers or struggles under a 90-10 debt to equity ratio, which the minister has referred to on previous occasions and is something that needs to be changed. Currently, the industry standard is closer to a 50-50 debt to equity ratio. Therefore, clearly upon the privatization of this particular company, the debt owed by AGT will have to be restructured substantially. So what I'm looking for here is a list of those debts, because clearly

the route that should be followed upon successful completion of the privatization is that those debts that have the highest rates owing on them should be the ones that are paid off first of all. What we're looking for here, Mr. Speaker, is simply accountability of the process the government intends to undertake following the completion of this privatization.

MR. STEWART: Mr. Speaker, with the exception of the request to provide the holder of any long-term debt, I don't have any problem with providing the hon. member with the information he requests; that is, the existing long-term indebtedness of AGT, which would show the amount, the interest rate, the maturity of all the debentures that now exist. I recognize that a certain amount of that information is available in the annual report of Alberta Government Telephones, but to the extent that it isn't detailed sufficiently for the hon. member, as I say, I have no difficulty providing that further information. By virtue of the fact that the hon. member is requesting that the holder be identified as well, I'm unable to accept the motion as it now stands, but I will undertake to provide him with all other information that is part and parcel of his request.

Now, from the standpoint of the conversion of the Alberta Heritage Savings Trust Fund debentures, that will have to wait until such time as the issue comes forward. Mr. Speaker, the legislation that sets up the framework for the new structure of AGT has now passed third reading, and once that legislation is proclaimed, at that point in time the government will be looking to the next stage of this project, namely to convert the debentures that are held by the Alberta Heritage Savings Trust Fund, or certain numbers of them, to equity. The precise debentures obviously will be identified at that time and are not available at this time because that decision has not yet been made. But the debentures will, in fact, be carefully analyzed to ensure that the appropriate debentures that are going to be part of that exchange will reflect the best interests of Alberta Government Telephones as well as the government – namely, the taxpayer – in that regard.

So to the extent of current indebtedness, long-term indebtedness, that is requested here, we can provide the information to the hon. member with the exception of the holder, but with respect to those debentures that are converted as part of the process of receiving shares of the new corporation in exchange for those debentures, that will have to await the further stage of development of this particular undertaking.

MR. SPEAKER: Is it the intention of the minister to delete the word "holder?"

MR. STEWART: Mr. Speaker, I have no objection to the amendment of the particular motion for a return, to delete the word "holder." We would be prepared to accept that motion as amended.

[Motion as amended carried]

380. Mr. Bruseker moved that an order of the Assembly do issue for a return showing all studies, reports, or analyses relating to Alberta Government Telephones' total quality management program.

MR. STEWART: Mr. Speaker, one of the important internal policies of Alberta Government Telephones is a move to quality control and quality management. I think that's been reflected not only in Alberta Government Telephones but certainly

through its subsidiary, and I think particularly of NovAtel. NovAtel, by virtue of its emphasis on quality, has enjoyed success in the North American market and now beyond. So the types of policies they have been adopting and the implementation of those policies are certainly paying off and allowing them to keep their costs at a point where their products and services are very competitive in markets beyond the borders of Alberta. However, the bases upon which they are implementing that quality management and achieving those successes are certainly internal matters to the company. I don't think they particularly want to tell everybody else how to be competitive in the outside world, and for that reason we would request that this particular motion for a return be rejected.

MR. BRUSEKER: Well, I can appreciate the minister's comments. I guess what I was looking for is that if NovAtel is having such a tremendous success – in fact, they are being very successful in their particular venture – perhaps the quality management program that's being implemented in that particular sector could be applied to other government ventures, and therefore some real cost savings could be realized by the government to work toward deficit reduction and ultimately the debt elimination that is so desperately needed in this province. So while I have to admit that I do appreciate the minister's position, I hope that within internal workings of the government they can find out what's happening in NovAtel and, doing it on the QT as it were, apply some of those techniques to other government departments.

[Motion lost]

381. Mr. Bruseker moved that an order of the Assembly do issue for a return showing

- (1) the salary classifications for all current Alberta Government Telephone employees, and
- (2) the number of management positions in each salary classification.

MR. BRUSEKER: Just briefly speaking to this particular motion for a return, Mr. Speaker, the current position of AGT, as I understand it, is fairly heavy in terms of the number of employees. What I'm trying to determine with this particular motion for a return is where those individuals are. Now, this particular motion doesn't ask for names of any individuals; it simply asks for the categories and the numbers of individuals within those categories. So I would urge all members to support Motion for a Return 381.

MR. STEWART: Mr. Speaker, the information that is requested here is certainly very much internal to the workings of Alberta Government Telephones. The hon. member is asking for salary classifications and the number of management positions in each salary classification, and that relates to all current employees of Alberta Government Telephones. Now, this is internal information to the company, and therefore I would respectfully ask all members to reject this particular motion.

MR. SPEAKER: Edmonton-Belmont.

MR. SIGURDSON: Thank you, Mr. Speaker. Just speaking briefly to this, I'm rather shocked that the minister is going to ask the members of the Assembly to reject this motion. Well, I shouldn't be shocked; he's done that frequently today. But

what happens is that when an agreement is signed with a union, the master agreement goes out, the classifications are in there, and those wages are well known. This information here is just asking for those classifications of employees and the number of management positions in each classification. I don't think that's too drastic a measure to ask for or that the information is too confidential to share. This information should be readily available. It wouldn't take an awful lot of time. I would imagine a simple stroke of a keypunch operator would be able to produce that information rather quickly. It's rather sad that the minister continues to ask members of the Assembly to refuse this information.

MR. SPEAKER: Calgary-North West.

MR. BRUSEKER: Thank you, Mr. Speaker. Again, this particular motion for a return really looks at the making of this company – or this information could be used in aiding to make this company a leaner, meaner, more efficient machine. One of the problems with many government industries, companies, et cetera, is that they tend to have managers managing managers. That's why this particular one looks at the number of management positions in each salary classification in particular. It's fine to have managers – you have to have some managers in place, of course – but what we're trying to get at here is how we can streamline the company and save dollars and make it a more equitable company, a more profitable company, and ultimately, of course, keep the rates as low as possible because dollars don't have to go to paying salaries. So I'm urging all members to support Motion for a Return 381.

[Motion lost]

382. Mr. Bruseker moved that an order of the Assembly do issue for a return showing all documents, analyses, or studies undertaken by Alberta Government Telephones reviewing diversification into pay/view.

MR. STEWART: Mr. Speaker, to my knowledge no Alberta government analyses have been undertaken with respect to the matter that's the subject of this particular motion for a return. In any event, to the extent they may exist without my knowledge, the types of studies or analyses or documentation clearly would be internal studies that would be viewed as confidential within Alberta Government Telephones. Therefore I would request that this particular motion for a return be rejected.

[Motion lost]

386. On behalf of Mr. Gibeault, Mr. Sigurdson moved that an order of the Assembly do issue for a return showing a copy of the report into the investigation of the February 23, 1990, death of Larry Bourdon on the Daishowa construction site.

MR. TRYNCHY: Mr. Speaker, I'd love to respond to this in a positive way, but I'll provide some reasons why it shouldn't be done. When we do investigations on these incidents such as we would be doing in 386, we talk to many, many people: the workers, the management, and even members of the family. Most of this information is provided in confidence, and I wonder if the hon. member would really like to hurt the family of the deceased in asking for a confidential report that they would provide to Occupational Health and Safety. We would consider that confidential material should never be released.

In this case, Mr. Speaker, the investigation report is in the hands of the AG's department. Again, it's under consideration. It would be wrong to release information where legal action may be taken. So I would ask the members not to support this.

MR. SPEAKER: Edmonton-Belmont, in conclusion.

MR. SIGURDSON: Well, thank you, Mr. Speaker. I'm actually rather disappointed that the minister would stand up and say that the information that comes out of an investigation on a death that occurred at a worksite is going to be deemed confidential. What kinds of questions are being put to those people that are part of the investigation? What kinds of answers are you looking for? If you're looking at whether an individual was impaired at a worksite and those answers were coming from a family, perhaps that matter might be embarrassing. But the information we look for here is to try in the future to protect those workers at worksites. This motion for a return just asks for information surrounding the death of a worker, not . . .

MR. TRYNCHY: A total report.

MR. SIGURDSON: A total report, indeed . . .

MR. TRYNCHY: Think about it.

MR. SIGURDSON: . . . but how often do we have worksite accidents and get that information going out to other workers? That's the intent of the motion, and I'm rather saddened that the minister is going to refuse the information.

[Motion lost]

387. Mr. Bruseker moved that an order of the Assembly do issue for a return showing all completed or interim studies done by or for the government or Alberta Government Telephones with respect to AGT service to rural Albertans, as referred to on pages 42-43 of the Public Accounts Committee for May 16, 1984.

MR. STEWART: Mr. Speaker, again, this motion calls for studies done on behalf of Alberta Government Telephones or on behalf of the government with respect to certain matters relating to service to subscribers of AGT. The types of studies and analyses that would be contemplated by this motion would be internal documentation of AGT or, for that matter, the government to the extent that they may exist and as such would not be an appropriate subject for a return. Therefore, I would ask all hon. members to reject the motion.

MR. BRUSEKER: Well, Mr. Speaker, the number of times we've heard they're internal documents and therefore not appropriate for disclosure is extremely disappointing. Here we're talking a multimillion dollar venture. With respect to this particular motion for a return, we're looking at the individual line service program and the commitment this government has made to provide individual lines to rural Albertans. Now, as I've mentioned before and believe it to be true, rural Albertans are very pleased with this service. What I'm looking for with this particular motion for a return are some decisions as to the type of service that would be provided, how quickly it would be

provided, and so on. We've had this program being implemented now for a number of years. We're nearing the end of it – we're in the final year, as the minister has indicated – and we're looking for some information regarding that particular program. Again, the nonanswer of internal documents is provided. So I would urge all members to support this motion for a return.

[Motion lost]

388. Mr. Bruseker moved that an order of the Assembly do issue for a return showing all documents, analyses, or studies undertaken by Alberta Government Telephones reviewing diversification into cable television distribution.

MR. BRUSEKER: In this one, Mr. Speaker, I'm not sure whether the government has undertaken these particular studies, but clearly the advertisement we've had bombarded at us through the media of advanced global telecommunications strongly suggests that AGT, if it is going to become a privatized company, should look at broadening and diversification of its revenues and its business ventures. Clearly, cable television distribution could be a logical diversification initiative. We have Rogers cable TV looking to diversifying into the telephone industry. Clearly, AGT should be looking at branching into the cable television distribution industry. So if competition is coming and we've got competition being levied against AGT by outside agencies, then AGT should be looking at branching out into those related areas. So in anticipation of the minister saying, "Well, we haven't done any documents, analyses, or studies," I'd be interested to know what it is they have done, looking at this particular diversification initiative.

MR. STEWART: Well, Mr. Speaker, the hon. member raises a good point with respect to the future for a new Alberta Government Telephones. I think one of the basic reasons a particular decision was made, or certainly one of those decisions, was to fully exploit the types of opportunities that are out there in the future for telecommunications companies.

However, the situation at the present time is that telecommunications companies as such – those that are members of Telecom Canada, for example – cannot participate, cannot be licensed for cable television distribution. It seems strange that at the same time cable companies such as Rogers cable are able to make application to the CRTC with respect to telecommunications or telephones. So it's an unfair situation that now exists, and that is why hearings have been called to address that very matter. I presume those hearings will be forthcoming. I've just forgotten the particular dates. But the whole matter is being looked into from the standpoint of ensuring that if there are to be opportunities for cable companies in the telephone area or telecommunications area, conversely there should be opportunities for telecommunications companies or telecos to be involved in cable television. That matter obviously falls under federal jurisdiction. All I can say at the present time is that the motion for a return is hypothetical because of the restrictions on jurisdiction at the present time. Therefore, by virtue of that, Mr. Speaker, it's necessary for us to reject the motion. I urge members to vote against the motion for a return.

[Motion lost]

head: **Public Bills and Orders
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Government Bills and Orders
Second Reading**

**Bill 216
An Act to Promote
Recycling Industries in Alberta**

MR. SPEAKER: The Member for Edmonton-Jasper Place.

MR. McINNIS: Thank you, Mr. Speaker. It's my pleasure to move second reading of Bill 216, An Act to Promote Recycling Industries in Alberta.

The issue of recycling is clearly one which has grabbed the public imagination and, I believe, the attention of most of the Members of this Legislative Assembly. Certainly every chance I've had to appear with a member of the government, they have endorsed the idea of recycling and recycling industries for the province of Alberta, and the Assembly did unanimously approve a motion moved last year by my hon. legislative colleague representing Clover Bar.

So some progress has been made, but I believe a lot more can be made. I believe sincerely, and my caucus does, that the provisions of Bill 216 will prove a very useful measure in putting a legislative framework around some of the initiatives that have to take place. There is no question, Mr. Speaker, that the initiatives will have to take place at many different levels on the part of many different people. Some of it is entirely personal and private, some of it will take place at the level of businesses and corporations, others will take place among industry associations, and others will take place through the mechanism of government. This Bill addresses the problem at each and every one of those levels and gives to this industry a framework to advance and proceed.

I believe that this industry not only can but does create thousands of jobs in the province of Alberta, and the potential in the future is very, very great to provide employment: stable, steady, long-term employment. Alberta has a chance to become a leader in the field of recycling, but we can only hope to do that if we start to take some initiatives right away.

Did you know, Mr. Speaker, that Canadians on average produce half a ton of garbage per person each year?

MR. TAYLOR: Except for this Legislature.

MR. McINNIS: Think about it: a thousand pounds. My colleague says that this Assembly produces more than its share, and perhaps that's so. We're certainly above the half ton per person. I submit that the Liberal caucus is way over their quota, probably for the next 20 years.

MR. TAYLOR: At least we recycle.

MR. McINNIS: I know they recycle NDP policies and call them their own all the time.

One-third of municipal waste is packaging. One-third of what goes into landfills is, in fact, packaging, and I submit that a great degree of that packaging can be eliminated. Much of it serves only to take employment out of the retail sector. The reason things are so heavily overpackaged in bubble packets and things that hang from the wall is so that retailers don't have to have employees keep their eyes on the material. They figure if they put them in a big enough package, nobody's going to be able to

sneak it out of the store. Right? Now, I believe that's a problem that the industry can resolve without having to fill our landfills full of garbage.

[Mr. Bogle in the Chair]

Did you know that recycling one tonne of waste materials saves approximately three cubic yards of landfill space? You figure the number of tonnes that are produced over a year in a municipality the size of, say, Calgary or Edmonton, and that's a lot of landfill space that we can save through recycling. Each tonne of newspaper that's recycled saves 19 trees. Now, I know 19 trees don't have a lot of value in the province of Alberta. The provincial government charges about a buck and a half for a forest company to cut down 19 trees, which they make into \$700 or \$800 worth of pulp. The provincial government then probably spends somewhere in the neighbourhood of \$6 to \$8 to look after the process of cutting down those trees, so there is no question that the province of Alberta subsidizes the harvesting of trees in the province of Alberta. Each time we recycle a tonne of newsprint we save 19 trees, and every tonne of steel cans recycled saves one and a half tonnes of iron ore and the equivalent of 3.6 barrels of oil. So we can save energy, we can preserve our resources for a long time in the future with the addition of recycling industries.

Now, I don't pretend that recycling is a solution to all mankind's problems; in fact, it's not. It's not even a solution to the waste management problem by itself. Recycling is one of many different things that we can do in order to reduce the amount of waste, in order to interrupt the cycle of digging up the earth's resources and harvesting the plant life of the earth in order to create more junk that we bury in the precious land areas, especially the inhabited land areas of our planet. The first thing we can do is reduce the total amount of waste that we use, and there are many things that people can do to reduce the amount of waste. We can reuse material rather than throwing it away, and we can recover, usually, waste heat by burning the material. Recycling is only one of a number of things that we can do. We should only be recycling that which we can't reuse, that which we don't have any other use for. We should obviously not use recycling as an excuse to overpackage, an excuse to create waste unnecessarily.

But having said that, the recycling industry is an extremely useful way to take our discards and make them into products that we can then use again to avoid having to harvest more plant life and to dig up more resources. The primary purpose of this Bill is contained within section 1. It declares the public policy of the province to be "to preserve and protect a viable flourishing biosphere by reducing the amount of waste," reducing discarded material, reprocessing and recycling wherever we can, and recovering useful items through energy if they can't be recycled in their present form. And the means of doing this? There are several initiatives. I think the lead department in a field like this would be the Department of the Environment.

I note that for the last year the Minister of the Environment has been promising – it started off as a recycling strategy. Somewhere over the winter months it grew into a waste reduction and recycling strategy, but we're still waiting for it. It was something that has been sort of promised a month or two away, but the month or two sort of starts all over again every time the assessment is made. I do know that there was a special warrant of \$175,000, I believe, passed to help the Minister of the Environment establish that recycling strategy. Hopefully, we'll get to see that fairly soon.

Now, a key role of the Environment department is to develop funding guidelines to municipalities so that they can begin recycling programs where they don't have them. You know, in last fall's civic elections, in the traveling I did in the province, it seemed to me that every municipal politician was trying to establish and promising to establish a recycling program locally. That was the hot campaign promise of 1989. Unfortunately, a lot of them have come to office and found what a difficult financial situation they're in as a municipal government, how tight money is, and how difficult it is to convince electors that their property taxes should be increased. So they're having a great deal of difficulty trying to find a way to implement their municipal recycling strategies as promised to the electors.

Now, I think part of the reason for that is that they're trying to use an inappropriate tax base to fund this industry. I believe the provincial government, which certainly has access to a greater fiscal base than the municipal governments and has, I think, a responsibility to lead in the recycling area, will have to for a period of time assist municipalities in several components of getting recycling initiatives off the ground. It's extremely difficult for municipalities to market small quantities of recyclable material; there's very little market available to them. They might be able to make their material more marketable with a small amount of processing. I believe the province could assist with that. I believe the province could assist in many ways with helping to establish industries which would purchase recycled materials. That's the nature of the approach in Bill 216, trying to get that industrial activity going so that eventually this industry will be able to function on its own.

Now, I think that's quite possible, but it's extremely difficult for those industries to do that in the face of the incredible subsidies that are available to their competitors. You take the example of newsprint. You can make newspaper out of trees, or you can make newspaper out of wastepaper. Those are two competing input materials in the paper-making process. But when you have a situation in which the pulp industry in the province of Alberta is subsidized to the tune of billions of dollars in capital investment up front, hundreds of millions of dollars in operating subsidies annually, plus grants to pay for infrastructure outright, nonrepayable grants, it's easy to see why recycled paper industries have not and are not establishing in great numbers in the province of Alberta or in Canada.

There is a particular provision in section 8 of this Bill which makes it clear that

the Minister of Economic Development and Trade shall ensure that no person extracting a virgin natural resource or processing such a resource shall receive provincial assistance which is greater than is or would be available to a person engaged in reusing, recycling or recovering discarded or waste material.

So we have to take the incentive away from pillaging the earth. We have to make it possible for recycling industries to compete.

Now, the easy way to do that, of course – and the government is naturally taking the easy way; they're moving down the easy path of subsidizing the recycling industry. You've got the poor beleaguered taxpayer who pays out of the one pocket to the virgin fibre industries to subsidize them, and now he's being asked by your friendly neighbourhood provincial government to pay from the other pocket to subsidize the recycling industries. It's a fool's game, Mr. Speaker, the taxpayer paying to compete against himself, in effect.

This Bill suggests a different approach, a different direction. It suggests that the minister of public works, for example, help to establish recycling industries by, first of all, ensuring that every department uses recycled material to the greatest extent

possible: paper for sure, but motor oil and derivatives, steel, steel products, aluminum, plastics, construction materials, tires and rubber products. All of those types of products should be, to the highest possible extent, made from discarded material. The technology exists to recycle all of that material, and having the provincial government purchase that material through the central purchasing mechanism is an excellent way to do that. Now, I know we've begun some modest steps in that direction. I do congratulate the minister of public works for the directive that he sent out. He's attempting to get some postconsumer waste into the paper stream in government, and that's a good thing. What I'm suggesting here is that we give the minister a mandate to do that from this Legislative Assembly. And this is a very important point. I'm sure the Member for Red Deer-North will support wholeheartedly the provision that we don't sell or utilize paper products in Alberta which are not made under strict environmental controls and standards. We want to make sure that we're not importing material that's made under conditions that will despoil the planet and, of course, to make sure that we don't use CFCs. So that's in terms of the department of public works.

There's also a provision – again back to Environment – where industries that create the problem are going to become part of the solution. I think that's one of the central principles in this waste management recycling business. If you create toxic waste that pollutes the earth, you will have to have a responsibility to make sure that that material is neutralized and cannot harm the environment. But if it can be recycled, you should have a role in recycling that material as well. I suggest that we include that as a condition of resource extraction on the part of certain people or companies in the province of Alberta, that they must also get into the field of reprocessing waste as part of their production process, a reasonable provision and one that I'll elaborate on in a little bit of detail when we talk about some of the current things which are happening elsewhere around the world.

The Lieutenant Governor in Council, after full public consultation, would be able to set content standards in certain industries. Perhaps this is as good a point as any to talk about what's happening in the newspaper business these days, because newspapers are a very highly visible element of the waste stream, and to this day in many parts of the world, especially in the province of Alberta, newspapers make up one of the largest single components of what ends up in landfills. More than 20 million trees were cut down last year in order to keep Canadian newspapers rolling off the press, so we're talking within Canada of a very substantial consumption of our forests in respect to the newspaper industry. In the United States it's even bigger, and everyone knows that the United States market is absolutely crucial to the pulp and paper industry in Canada.

Almost 60 percent of the newsprint consumed in the United States originates from Canada. We have 60 percent of their market at the present time, and there's little doubt whatever that the provincial government hopes to cash in on that enormous market; that's why all this investment in northern pulp projects.

But the thing that you have to consider is that that market is rapidly shrinking because the United States is shifting toward recycled paper. The word is out. They're taking action, where we're studying the possibility of maybe having a strategy. Various American governments and industry – for example, the U.S. paper industry has set a goal for itself of 40 percent recycled paper by 1996. That's not very far away. The industry has said, "We're going to make that the code of our practice, that we're going to get to 40 percent by 1996." Now, you look

at the possibility of a 40 percent reduction in the total U.S. market for newsprint and pulp, and then consider that we have 60 percent of that market. What do you think is going to happen to the demand for Canadian pulp, bleached kraft pulp? Well, it won't come as any secret that it's going to decline. In fact, that's what the industry believes. Charles-Albert Poissant, chairman of Donohue Inc. in Quebec City, a major pulp producer, has predicted that recycling will shift newsprint production to the United States, and he says it puts the Canadian industry in peril. If there's going to be a shutdown in demand, do you think the Americans are going to shut down their own newsprint mills so they can buy exclusively from Canada? Don't bet on it, but if you do want to bet on it, I'll take your money.

So we've got two things happening at once: there's a shrinking in the demand for virgin fibre, and there will be a correspondent explosion in demand for recycled fibre. Now, we have an opportunity, I submit, to get in on the supply. But, you see, Canada makes, at the present time, only one-fifth of the recycled paper that's made in the United States mills. They're already geared up, and they're increasingly getting ready to compete in the new marketplace of the future in which at least 40 percent of the newsprint that is consumed in the United States will be recycled material. That's a very important provision. Now, I suggest that one of the things we should do is try to gear up our industry to create some paper from our own discards and perhaps from some others that may be available to us. One of the ways that we can do that is to have the minister of public works purchase recycled paper on a near to exclusive basis. Another way we could do it is to follow the U.S. lead and ask that our newspapers use 40 percent recycled fibre in the production of their newspaper. It's simply an extension of the principle that if you create a waste, you create a mess, and you have some responsibility to help clean it up. There's no reason that that should not apply to newspapers as well as it applies to anyone else.

So, you know, it just goes state by state by state. I have a lengthy list of the United States that have, first of all, imposed the provision in Bill 216 that requires their governments to use recycled paper. There are at the present time, I believe, at least 17 U.S. states that now have the provision of section 6 of my Bill today, which requires that private industry use recycled component in their product.

So this legislation's clearly in step with the trend in the United States, and if we were to begin producing such material, I submit that there's an absolutely huge market that's opening up south of the border and elsewhere in Canada that we could take advantage of. I would like to see our province do that so that we're not simply in a position of investing the billion-plus tax dollars which are at risk in these northern projects and all of the other things I've referred to. And, you know, don't forget that the last addition in the supply chain is more than likely the highest cost, so when the industry comes to having to face a situation in which the demand is falling, they may be looking at cutting back production in their highest cost regions rather than their lowest cost regions, and that might possibly include the province of Alberta.

I believe that's why there's such a terrible fuss on the part of industry to try to get these projects going. They're anxious to get them running, get them to the payback point where they have their investment recovered. That doesn't necessarily mean that the Alberta government guaranteed loans are repaid. No, it doesn't mean that; it means that they have their investment out of it. When that day happens, those projects are subject to

shutdown based on the declining demand. Where are we going to be? We won't be geared up to supply the recycled fibre market. We'll be trying to supply a virgin fibre market which, if it still exists, will be dramatically curtailed from what it is today. The fact is that in the pulp business today the industry is doing everything it can – in fact, they're colluding among themselves to try to keep the prices up by cutting back production where they can, and they're not succeeding. Prices are dropping despite the efforts of the industry to keep them up, and the forecast is not particularly good for the future. So we do have these problems that we face, and I think one of the ways around them is to try to get a recycling industry going in the province of Alberta.

Now, we do have a recycling plant which is about to be plunked down in the former glassworks in Redcliff in the riding of the – well, I'm not sure whose riding it's in, in reality. This is one that was slated originally for the city of Edmonton because of the blue box program and the supply of recycled paper in the city of Edmonton. Various things happened, including the intervention of the provincial government through a loan guarantee and an offer of enormously cheap natural gas from the city of Medicine Hat, and this operation is now locating in Medicine Hat. Now, I hope they are well positioned to compete, because I think that's a good first step. They're not in the newsprint business. They're making tissue papers from milk cartons, envelopes, computer paper, and other pulp sources. That's kind of a specialty market, and it's good technology. I hope that it works. But that's a very modest beginning, and I think we have to try to move beyond that, and we have to do it primarily through the types of initiatives that are contained in Bill 216.

In the field of plastics, we had . . . This is during the period of time that the Minister of the Environment's been talking about a recycling strategy for the province of Alberta. We first of all lost the glassworks in Medicine Hat. They felt – in fact, I think the reality is – that their market disappeared because of the way our beverage container system has operated. The higher deposits were always on glass, the lower deposits on steel or aluminum cans, and no deposit on Tetra Paks. So the market shifted, because of that apparent price advantage, toward aluminum, steel, and Tetra Pak and away from glass. When the company announced they were leaving, the provincial government, the Deputy Premier, came running after them with a chequebook. You know: "How much money do you want to stay in operation?" And they said: "Well, gentlemen, you've taken our markets away. Put your chequebook away. We don't want your cash. We would rather have a market for our product." Now that that industry is gone, the recycling would have to operate through Vernon, B.C., where Domglas has a remaining operation, where they still have some market. But I suggest it's very likely to be uneconomic to ship that far, so a lot of glass is going to end up back in landfills where it used to be. That's a pity, because glass is infinitely recyclable at a low energy cost. It can be done here in the province of Alberta and create jobs. Aluminum can be recycled, but we have to ship it to Alcolu in South Carolina, where they get the jobs, including the printing and all the rest of it, before the material comes back.

The second thing that happened after the announcement of a recycling strategy is that we lost the Applied Polymer research facility in the city of Edmonton. That facility was actually purchasing plastic pop bottles from the beverage container system, those polyester pop bottles, and paying cash to do that, which was a wonderful thing. But then when they came to have trouble, they made the foolish mistake of approaching Vencap,

a provincial agency, which mired them in endless bureaucracy. Unless you're a Tory fund-raiser, it would seem, you have difficulty getting any funds out of the Vencap operation. Anyway, they were strung along by Vencap for almost 18 months, until things took a dramatic turn for the worse. They came to see the province, from whom they had purchased 3 million plastic pop bottles for cash, and got no help whatever. The latest I've heard is that there is some possibility it will continue to employ less than half the people who are there.

Again, you know, that's an industry where we had recycling, actual reprocessing of material through the beverage container system. The beverage container system could be a wonderful boon to recycling. It's a good thing that we have it, and I congratulate the government for setting it up. But an industry that finally comes along and says, "Well, here's something we can do with your product," they end up, through a series of circumstances, not in business anymore. I hope that there's something we can do to make industries like that survive and prosper. I suggest that if we pass Bill 216, we'll be taking a strong step in that direction.

I want to talk briefly about tires. I think tires can be recycled. Everybody knows the disposal problem of tires and the Hagersville tire fire and other things like that. Well, what has the province of Alberta come up with? Not a recycling program; they've come up with a plan to incinerate tires in the community of Trochu. This is a plan, a plant, that was originally proposed to be built in California, I believe. They didn't want it. They didn't feel that mere recovery of waste energy was an appropriate use for the extremely valuable petrochemical product that's in those tires.

Now, there is a company in the city of Edmonton which is interested in recycling tires. They haven't been offered anything like the type of deal that the provincial government is now considering in the case of the Trochu facility. They're considering, if you can believe this, that every motorist would pay \$3.50 every time they buy a tire, and that would go into a slush fund controlled by the Minister of the Environment, being envious of the minister of public works and his various slush funds that he can pay out as he wishes. He's considering paying out whatever the operating losses of this Trochu tire facility would be.

One of the interesting things about that is that the Minister of the Environment waived the requirement of an environmental impact assessment on that project. Now, I don't believe the recycling industry should be able to escape the need for an environmental impact assessment. Just because something is called recycling doesn't make it safe, clean, or good. It is a good thing to recycle, but it's not a good thing to pollute our environment in the name of recycling. I would submit that any recycling plant would have to go through an environmental impact assessment. I can't believe that the provincial government would even consider requiring motorists to pay into a fund to subsidize this incinerator operation without subjecting that operation to an environmental impact assessment.

I think we've got to look at recycling in the tire business, and that's clearly a provision in Bill 216, and to look, for example, at what's being done by Western Reduction Systems here in the city of Edmonton, where they're looking at various means of making new products, making something out of those tires, rather than simply putting them up in smoke. I also understand that there are various cement plants that want to use tires for that purpose as well. So we should be recycling tires.

There's much more that can be said about this, but I think the important thing, the note I would like to conclude on, is that it's time for solid, hard-nosed initiatives to back up our desire to

complete the cycle on the recycling logo. In the city of Edmonton it has been shown that the collection system can be established and run efficiently. Now we have to show that we can take the material that's collected and process it into something that's valuable to provide funds to run the collection system, to provide jobs for Albertans, and to help secure our right in Alberta to a healthy and clean environment in the future.

Thank you.

MR. ACTING DEPUTY SPEAKER: The hon. Member for Clover Bar.

MR. GESELL: Thank you very much, Mr. Speaker. I feel almost obliged to enter into this debate, particularly with the kind words, the initial words, by the Member for Edmonton-Jasper Place about my introduction of a motion in the last session of the House – I think it was Motion 208 – which dealt with reduction of waste and waste management, and it was passed in this House unanimously. Part of that motion actually involved attempting to find solutions other than landfilling, and I feel very strongly about that, that the days of landfilling are gone. It's an archaic way to dispose of our waste, and I'm sure the members in this House will agree with that.

Now, occasionally, and particularly on this Bill, we in government are faced with an initiative which is essentially a good idea, and I think this is what we have here. But I am somewhat unable to accept it, and I feel maybe the members in this House may also not accept it once I've provided some reasons for my reluctance with respect to this particular Bill. There are four areas I would want to discuss, Mr. Speaker. The first area deals with sections of the Bill which I feel are poorly executed and very unclear, and I will elaborate on that. The second item that I wanted to deal with is that this particular Bill often restates some of our existing government policy and is somewhat redundant in that respect. The third item I want to deal with is that the Bill proposes a lot of what I feel is unnecessary bureaucratic work. Number four, it misses some very important issues that should be incorporated in such proposed legislation.

Well, first of all, I think I cannot accept this Bill because it is poorly executed and unclear. I will elaborate. First of all, it is weak in its approach to a very complex problem. In our environment, waste management, waste recycling is a very complex problem. It is interrelated. Every sector of our society is affected. It's a global issue, and the solutions to those environmental issues must therefore deal with all sectors of our society, not just industry waste management companies. It needs to deal with individuals, communities, all levels of government, our corporate citizens, industry, and so on. So it needs to initiate and encourage actions by all of those sectors of our society.

Bill 216 as proposed focuses its attention almost exclusively on waste management companies and industrial facilities, and I think that that is somewhat limiting in the view that this Bill has. It's poorly executed in that sense. It does not include all of the partners that are involved in the environmental issues. Now, it's true that waste management companies and industrial facilities play a very important and a key role in any environmental solution, but they're not the only ones that are affected or are responsible either for the production of waste or for the management or reduction of waste. Again, everyone really is responsible for the production of waste, individuals – and I will provide a specific example – as well as all aspects of our society: the community, the governments, and industry.

Sections 5 and 6 of Bill 216 target companies in the amendment of the Clean Air Act, but what about negligent municipalities or individuals? They also produce waste, Mr. Speaker. Why legislate against some of our sectors of society and not others? Let me give you an example. Edmonton discharges on occasion some considerable amounts of untreated sewage in the North Saskatchewan River. Well, that is pollution, and it needs to be addressed, and I feel that that is a very serious omission in this Bill. Again, poorly executed.

I've given you a community example. On the individual level I am struggling with making the right environmental choices. I live out on an acreage east of the city, close to Tofield. Every spring of the year I tend to clean up my yard and prune my trees and assemble the debris that accumulates. I used to burn it – I have to admit that, Mr. Speaker – but I felt that that is not environmentally sound. It is not a good solution. So I felt, well, I should look at alternatives, and that's where I get to the individual's responsibility. I seriously considered that, and I felt that maybe the best solution might be to get myself a wood chipper, to buy one and run some of the branches and debris that I collect during the spring through that. That way I would perhaps be more sensitive to our environment and also create some chips that I might use in actively landscaping the area and making the area more attractive. But when really considering that, I find that I would have to buy a chipper from a company, an industry that produces them. They in turn might pollute the environment to some degree. To what degree I don't really know for sure; I'd have to guess at it. Once I'd have that on my place, it has an internal-combustion engine. It generates some pollution, and there is some concern about the emissions from that particular unit. Now, in my mind I'm looking at this situation and saying: "Well, which is more environmentally sensitive? Do I burn the debris, or do I use a chipper and maybe . . ." Where's the balance? Am I not creating the same situation?

Perhaps the solution might be not to make a decision at all, and that might appeal to some people. It doesn't appeal to me, Mr. Speaker, because I feel that we have and I have an obligation to clean up the environment that I live in and not let it deteriorate. So I do have to make those choices. But I'm really unclear of which way to go, which way is better for me, and I don't have the answers. So it's not an easy situation for the individual, the community, companies, and so on. The point I'm making is that environment protection is all of our responsibility. I'm trying to be sensitive to our environment, as I believe all members in the House are, as I believe communities are, and as I believe industry is as well.

[Mr. Speaker in the Chair]

On the second point that the Bill is unclear, the second part of the first point actually, how can our government accept a legislative initiative which asks the province to declare as public policy the "re-use [of] discarded materials whenever possible"? I stress "whenever possible." I'm referring to section 1 of the proposed Bill. That is an extremely sweeping declaration, and it does require some elaboration not only to be accepted by this Assembly, I feel, but also to be an effective instrument of public policy – not just government policy, public policy. "Whenever possible": how do you enforce that? It's so broad that it's almost impossible to define what it means. That's where the Bill is unclear. It does not provide the direction that is necessary.

Now, the notion that's proposed in the Bill of reprocessing and recycling anything which can be reused is also unclear.

What does that include? Anything could be anything. It's again wide open, extremely unclear, and it is simply unrealistic to presume that everything that we cannot use can be reprocessed. I don't think that is a correct evaluation of our situation.

Section 1(d) refers to recovering products that can be recycled through – and I have to use the specific words in the Bill – "material transformations." Now, that's a new one on me, Mr. Speaker, because I haven't run across that yet even though I've looked at all the different techniques that are suitable for waste reduction and waste management. But material transformation . . . You know, it reminds me of the Middle Ages when certain people, chemists and so on, tried to turn lead into gold, and I'm just wondering if that is the same principle here. Perhaps this is only smoke and mirrors, I'm not sure, but I certainly would appreciate an elaboration from the hon. member about what he means when he says "material transformations." We would need to know more about that technology. I would need to find out more about it. I don't know if it exists. I don't know if it's been dreamt up, but we need to know what it is before we can legislate on that particular initiative.

Further, the government I don't think can agree to set industrywide standards for recycled product content sold in and from the province of Alberta as is proposed in section 7 of the Bill. Mr. Speaker, let me give you an example on standards. I have difficulty when we set standards. For instance, when we set standards of limits of pollution, it seems then that an industry can look at that particular standard and if they are an infinitesimal amount below that particular standard, they're okay. There is then no further incentive for them to reduce possible pollution. I view the initiative that we should be pursuing such that there is an incentive to reduce pollution on an ongoing basis, not just below an arbitrary limit that is established somewhere along the line. So the standards that are referenced here I have difficulties with, because in the recycling industry . . . Let's use paper as an example. We cannot, as far as I understand the process, recycle paper a hundred percent and achieve the same grade of paper. It's a diminishing-return situation, and there needs to be an introduction of virgin fibre into the process somewhere along the line. But even at that, Mr. Speaker, the grade of paper deteriorates as you go through the process. So if you set particular standards and you have a moving target such as a different amount of recycled pulp that enters into the paper production, you have some extreme difficulty in developing those standards, number one, and having industry adhere to it. I think the important part in paper is the work that needs to be done in developing a market for recycled products. That's the most important part. That has been referenced by the hon. member, and I think that's a valid point.

To adequately deal with the problems that are outlined in the Bill, there needs to be some extra effort devoted to constructing laws which are both strong and specific. I think that's where the Bill falls down. It's not specific. It's unclear, and it doesn't provide clear direction. Further, Mr. Speaker, in order for it to be effective, it needs to encourage and involve all sectors of our society in the process of recycling and waste reduction.

Now, Mr. Speaker, the second point that I wanted to discuss is that this Bill somewhat restates our government policy in a number of different areas. It's interesting. The three Rs are in the Bill, and that's our environmental policy: reduce, reuse, and recover. Those three principles have been affirmed again in this particular Bill in part 7 and have been also included in the Act that's been tabled by the hon. Minister of the Environment, the proposed Environmental Protection Enhancement Act, which has been recently tabled. Now, there is a document that looks

at the recycling, the waste management situation, all of our environmental issues on a very comprehensive basis. What we have here is a piecemeal approach to a very complex problem, and in my estimation a piecemeal approach will never provide solutions to those environmental concerns that we have globally. Under this new legislation or Act that the minister has tabled, our government is preparing to minimize waste by ensuring that recycling measures are encouraged and implemented everywhere, on all products, every one that's part of our society. I think that is the approach that is necessary.

In the Act waste minimization is encouraged through regulations which require a retailer or a depot operator to pay for designated materials returned for recycling. Municipalities also provide a collection system for those designated materials. Those sections, then, in the tabled legislation by the minister really make Bill 216, particularly section 2 in the Bill, very unnecessary. That legislation, as I mentioned, that has been tabled by the Minister of the Environment is more complete, is more comprehensive than this Bill, which I have called piecemeal. I refrained from calling it . . .

AN HON. MEMBER: What you'd really like to call it.

MR. GESELL: Yes, agreed: what I'd really like to call it.

Now, rather than adjusting and amending sections of the Department of the Environment Act, the Clean Air Act, and the Clean Water Act separately, as this Bill proposes, that new legislation I think is necessary to strengthen the existing provisions in these Acts under one comprehensive piece of legislation regulating, controlling, enforcing: all of those aspects that are essential.

Mr. Speaker, the third point that I wanted to discuss, where I feel the proposed Bill falls down, is the portion on unnecessary bureaucratic work. Now, I'm a firm believer that less government is better government.

AN HON. MEMBER: Amen.

MR. GESELL: Thank you.

I find it somewhat strange that the hon. members in opposition, and particularly the Member for Edmonton-Jasper Place, would on one hand say that he wants to see our government take action because it is essential that we do and do that in very short order, but then at the same time he calls for the establishment of a waste management working group, another group, another bureaucratic process, which I don't find very appealing. I think all people should be involved in the process, and they're ready. People are clamouring to be involved in recycling. People are environmentally sensitive. The establishment of another committee is not going to encourage those people to be more active. They are active already. We need to provide avenues and some clear direction of where they can actively participate in a practical sense, not by establishing another working group, a waste management working group that's suggested in this particular legislation, and another committee to review areas such as the current recycling industries. That's a needless expense, Mr. Speaker, and it's a needless expense for the taxpayer. Now, these hon. members on certain occasions, particularly during the budget estimates, make representation and speak about fiscal responsibility, but when it really comes down to the crunch to ensure the duty of care that we have for the taxpayer's dollar, that fiscal responsibility is out the window and all they can think about is spend, spend, spend, spend and increase the bureaucratic process. Well, I don't agree with it.

The Minister of the Environment has begun to develop guidelines for grants as outlined in section 2 of the legislation. Therefore, there is again a duplication here, which is unnecessary. So again this Bill 216 is redundant. Some of the sections are also unnecessary because Alberta Environment is already aware of the current recycling industries in Alberta. Now, the Bill proposes that we investigate them. Well, we know already. I don't see why we should now go back and redo that work. We know what is in existence. We know the locations and the sources of the waste stream. As a matter of fact, the important parts of the waste stream – and I'm talking about the municipal waste stream – are paper and organics. They comprise the largest percentage of that particular waste stream, and that's where we should be directing our attention.

Furthermore, Mr. Speaker, there is no need to amend section 5(2) of the Department of the Environment Act. By all accounts, the Special Waste Management Corporation is operating successfully, and in my mind there appears to be no need for the Legislature to appropriate more funds for toxic waste collection services. We are the first province in Canada to take those steps, and here we are: a proposal to duplicate again under this legislation.

The last point, Mr. Speaker, I want to address is that this proposed legislation misses some very important issues in the promotion of recycling industries. I think probably the greatest weakness in this Bill is what it doesn't really address, the parts that are missing. There is no mention in the Bill of education or public awareness. I think that is essential for any recycling initiative to be successful. There needs to be that positive reinforcement so when individual people take the initiative to protect our environment, to recycle, to reduce wastes, they have that cycle – there may be a strip, which I will refer to a little bit later – completed; it returns back to them and reinforces some of the actions that they have taken and encourages them to continue on.

Nor does that Bill as proposed address the research and development of new recycling technologies. I think that is very critical, Mr. Speaker. It's not just the recycling technologies that are critical, but it's also the application of new technologies in order to reduce some of the products that end up in our waste stream. Previously in this House I've talked about telephone directories, the white pages. I see new technology moving in the direction where it is possible to have a central directory, a central index of phone numbers that is accessible through the telephone system so that we do not have to create the volumes and volumes of white pages that we send out and then they end up either in a landfill or they are recycled. It's an economic activity that we can do without, and maybe that effort that is directed there right now can be directed in a more positive fashion towards other initiatives in recycling.

Section 3 of the proposal refers to investigation of the supply and demand for recycled goods, but this type of research should be initiated before we enact laws. Now, we in government have taken the initiative, and I know personally I have. I use recycled goods as much as I can. My business cards are printed on recycled paper. The letterhead I use is printed on recycled paper. I hope that all members in this House take those individual initiatives to recycle, to protect our environment, to ride their bicycles to work rather than taking their car, rather than running it around the grounds here, which is just a token gesture, Mr. Speaker. [interjection] It's been suggested that I ride a horse, but 20 kilometres to Sherwood Park is further than a day's trip. I think the railway stations originally were set up in order to allow for a horse team to travel to an elevator, and

I believe that was 14 miles, and I'm a little further than that, so the suggestion that I use a horse team to get here is not quite feasible.

Bill 216, Mr. Speaker, is especially weak in its understanding of the market of recycled goods. The government is entirely in favour, and I am completely in favour, of the initiatives to encourage recycling, but we must take into account what is often referred to as the recycling loop, and that is an adaptation of the . . . Or maybe a strip. The strip is basically a continuous, one-sided, one-edged surface. It's very appropriate as the symbol for recycling, but it operates on a number of different levels. It operates on the level of who has responsibility for certain recycling initiatives. For instance, I feel that with the three corners, the one corner might signify the separation and collection of waste goods, which might be the individual or the municipal responsibility. The second part might be the processing aspect of those collected goods that are recyclable, and that could be a municipal, industrial, provincial, or even a federal responsibility, but it could also involve interprovincial situations, as the proposed plant at Redcliff proposes, and I will attempt to get into that, Mr. Speaker, time permitting. But the third leg of the Mobius strip really is the market. The market, again, involves the individual, the community, and all levels of government and industry. As it goes full circle, it reinforces that interaction of all of these different bodies, but it also operates

on the basis of individual responsibilities to participate in the separation, the economic opportunities that exist for individuals in the recycling industry – and I see it as an industry – and also in the market participation. Mr. Speaker, all parts of that triangle need to be in place in order for this thrust, this principle to work effectively. If any of those parts are missing – if the market is missing, if the processing is missing: one or the other – it falls down.

Mr. Speaker, I believe I'm at a point in time where I can't complete my comments, and I would beg leave to adjourn debate.

MR. SPEAKER: Having heard the motion, those in favour, please say aye.

SOME HON. MEMBERS: Aye.

MR. SPEAKER: Opposed, please say no.

SOME HON. MEMBERS: No.

MR. SPEAKER: The motion carries.

[The House recessed at 5:27 p.m.]