

Legislative Assembly of Alberta

Title: **Friday, May 24, 1991**

10:00 a.m.

Date: 91/05/24

[Mr. Speaker in the Chair]

head: **Prayers**

MR SPEAKER: Let us pray.

O Lord, as we conclude for this week our work in this Assembly, we renew our thanks and ask that we may continue our work under your guidance.

Amen.

head: **Introduction of Visitors**

MR. HORSMAN: Mr. Speaker, I'm pleased to introduce to you and through you to members of the Assembly two distinguished visitors who are seated in your gallery. Senator Ted Strickland is president of the Colorado State Senate and chairman of the Southwest Energy Council. As you are aware, Alberta has had a long and beneficial relationship with the energy sector in the United States, particularly with the Southwest Energy Council, whose membership includes many of the oil and gas producing states. The senator is a long serving and respected member of the Colorado State Senate and in pursuing his interests in the energy sector has become a very active member of the energy council. I might add that he has been the president of the National Conference of State Legislatures, and for one year we served together as co-chairmen of the Canada/U.S.A. legislative exchange project.

He's accompanied by Laurie Cameron, a lawyer who has practised environmental law, served as energy counsel to the Louisiana State Senate, and drafted an energy policy for the state of Louisiana as well as a comprehensive national energy strategy proposal for the Southwest Energy Council, which has been submitted to the President for consideration.

During their visit here they will meet with government officials to discuss matters relating to several different areas of our petroleum industry. I would invite Senator Strickland and Ms Cameron to rise in the gallery and receive the warm welcome of the Assembly.

head: **Introduction of Bills**

MR. SPEAKER: The Member for Rocky Mountain House.

Bill 38 County Amendment Act, 1991

MR. LUND: Thank you, Mr. Speaker. I request leave to introduce a Bill, being the County Amendment Act, 1991.

This amendment Act deals with the possibility of the continuation of counties, the method of asking for a referendum. It deals with the petitions to counties, and also allows for the ability of a summer village with a population of less than 150 people to have the right to vote in a school election.

[Leave granted; Bill 38 read a first time]

MR. HORSMAN: Mr. Speaker, I move that Bill 38, the County Amendment Act, 1991, be placed on the Order Paper under Government Bills and Orders.

[Motion carried]

Bill 315

Annual Election of the Speaker Act

MR. DECORE: Mr. Speaker, I rise to give first reading to Bill 315, an Act entitled the Annual Election of the Speaker Act.

It's the first step and a big step in the initiation of parliamentary reform calling for the annual election of the Speaker of this Assembly by secret ballot.

[Leave granted; Bill 315 read a first time]

Bill 316

An Act to Amend the Legislative Assembly Act

MR. GIBEAULT: Mr. Speaker, I request leave to introduce Bill 316, being An Act to Amend the Legislative Assembly Act.

If passed, Mr. Speaker, this would provide for the election of the offices of Speaker, Deputy Speaker and Chairman of Committees, and Deputy Chairman of Committees on the first convening of the Legislature after a general election. It further provides to give effect to the transition that these three offices become vacant as of October 1, 1991.

[Leave granted; Bill 316 read a first time]

head: **Tabling Returns and Reports**

MR. FJORBOTTEN: Mr. Speaker, I'm pleased to table with the Assembly the 1989-1990 annual report of the Alberta Department of Forestry, Lands and Wildlife.

MR. DINNING: Mr. Speaker, as minister responsible for the Premier's Council on the Status of Persons with Disabilities, I am honoured today to file with the Assembly the government's response to the action plan submitted by the Premier's council. Our response is entitled Achieving Full Participation in the Life of Alberta, and copies will be made available to all members of the Assembly.

MR. KLEIN: Mr. Speaker, I wish to table the Interim Acid Deposition Critical Loadings for Western and Northern Canada report and Motion for a Return 210.

MRS. MIROSH: Mr. Speaker, I'm pleased to table the 1990 annual report of the College of Chiropractors of Alberta.

MR. SPEAKER: Edmonton-Kingsway.

MR. McEACHERN: Thank you, Mr. Speaker. I wish to table four copies of The Community Charter of Fundamental Social Rights for Workers. It's part of the European economic integration of 1992, and it lays out the intentions of the participating countries to protect workers' rights, workers' wages, and the social safety net built up over many years in those countries.

head: **Introduction of Special Guests**

MR. GETTY: Just previously the Minister of Education tabled a document regarding the action plan on the Premier's Council on the Status of Persons with Disabilities. Mr. Speaker, that council is doing an outstanding job on behalf of all Albertans. There either are in the House now or shortly will be in the House certain members of that council, and I'd like to have the House welcome them. First would be Gary McPherson, the chairman; secondly, Harvey Ball, a member of the council; Jim

Vargo, a member of the council; and Cheryl Crocker, a member of the council. They're accompanied by staff Fran Vargo, and other members accompanying them to assist them are Margo McPherson, Eadie Lemieux, and Carol Chawron. I'd ask the House to give them a warm reception.

MRS. McCLELLAN: Mr. Speaker, it is my pleasure today to introduce to you and through you to members of the Assembly a group of grade 5 students from the Coronation school in the Chinook constituency. Accompanying the students today are teachers Mr. Toni Selzler and Miss Donna Tupper and parents Debbie Lenton, Garry Wiebe, James Klasson, and Rob Bullick. Also in attendance are their very faithful bus drivers Gerald Lang and Melanie Robertson. These students and their supervisors are seated in the members' gallery. I would ask them to rise and receive the traditional warm welcome of the Assembly.

10:10

MR. DINNING: Mr. Speaker, shortly I will have an opportunity to read a statement about National Access Awareness Week. To honour next week's important week we have a number of volunteers who are vital to the success of that week. We are honoured in the Assembly today to have the provincial chairperson of the week, Mrs. Iris Saunders; vice chairperson, Penny Oman; the provincial co-ordinator, Mr. Mike Keeping; as well as Shelley Chamberlain. I'd ask them to rise or wave and ask all members to receive them warmly, as we normally do.

MR. FJORBOTTEN: Mr. Speaker, I'm pleased today to have the mayor of one of the most progressive communities in my constituency, the town of Stavely. I would ask Mayor John Berns and his wife to stand in the gallery and receive the recognition of the Assembly.

MR. SPEAKER: Three Hills, followed by Calgary-Mountain View.

MRS. OSTERMAN: Thank you, Mr. Speaker. It's my pleasure today to introduce a group of 32 students from the Beiseker community school. They're grade 10 students, and they are accompanied by teachers Miss Deborah Anderson and Mrs. Helen Hoey and, as well, parents Mrs. Val Fasoli and Mr. Brian Karnes. I'd like them all to rise in both galleries and receive the warm welcome of the Assembly.

MR. SPEAKER: Calgary-Mountain View.

MR. HAWKESWORTH: Thank you, Mr. Speaker. I'm honoured today to be able to introduce a group of young people visiting the Assembly from Rundle College. The college is located in Calgary-Mountain View, but the students come from all over the city of Calgary. They are in the public gallery, and they're accompanied by their teacher Mr. Rod Martens. I'd like to ask all members of the Assembly to extend to them warm greetings and a welcome to Edmonton this morning.

MR. SPEAKER: Cypress-Redcliff.

MR. HYLAND: Thank you, Mr. Speaker. I think it's appropriate that the last to be introduced visiting in the gallery this morning are those that have come the farthest. I have in the gallery a group of 29, 21 of them students and eight parents and/or teachers, from Senator Gershaw high school in Bow

Island. They're going to have an interesting morning, because they're going to watch question period and then I understand they're going to go to the *Journal* and watch a paper being made and put together. I guess then they'll read the next edition and find out what they saw happen and what is reported to have happened. So it could be an interesting morning. They're accompanied by Bob Thompson, the principal of the school, a number of parents, and Ed Torsher, the reeve of the county of Forty Mile and member of the school board. I would ask them to rise and receive the warm welcome of the Assembly.

head:

Ministerial Statements

National Access Awareness Week

MR. DINNING: Mr. Speaker, next week in Alberta we will celebrate National Access Awareness Week. Accessibility for disabled Albertans is more than removing visible barriers and making changes to buildings. Accessibility means full and active participation in the life of Alberta. It means ensuring that disabled Albertans take their full place in Alberta society with all the rights and responsibilities that entails. National Access Awareness Week is an opportunity for us to remember a visit to Alberta in 1987 by a truly remarkable Canadian, Rick Hansen. None of us who met the Man in Motion can forget his determination and commitment. He opened our eyes to what can be achieved if we focus on abilities rather than disabilities.

Next week, Mr. Speaker, also allows us to recognize the work of the Premier's Council on the Status of Persons with Disabilities and the many advocacy and community groups the council works with, also to recognize their work in spelling out a vision of abilities in Alberta and to recognize the council for its support for the government's amendments to the Individual's Rights Protection Act.

Mr. Speaker, I was proud a few minutes ago to table a status report summarizing the actions taken by Premier Getty's government to implement the action plan developed by the council. Since its release, my cabinet colleagues and their departments have been going about the job of making it happen. Of the 114 recommendations in the plan, 30 have been put into effect, another 66 are in the process of being put into place, and plans are under way for considering the remaining 18. Some of these actions are major ones. Our government has just announced significant changes to the home care program and the Aids to Daily Living program, changes which respond directly to the recommendations of the Premier's council.

We've also taken significant steps to ensure that buildings are barrier free. In the next few days the Minister of Labour will announce important changes to the building code, changes which will put into place another 16 action plan recommendations.

Education, too, has undertaken a complete review of special education programs, their funding and their co-ordination. A policy on integrating disabled children will see disabled students taking their rightful place in our regular classrooms, learning alongside their peers. In recognizing the goals of independence and self sufficiency, a new pilot program called Ability Plus has been initiated by my colleague the Minister of Economic Development and Trade. This new program will increase business opportunities for disabled persons, allowing them to start a new business or expand an existing one.

Mr. Speaker, the government is also committed to ensuring a co-ordinated approach to the delivery of personal supports. A community support task force has been established to develop a plan to better consolidate the delivery of government services. We are also considering how best to consolidate vocational

rehabilitation and training for disabled persons under the Career Development and Employment department.

Mr. Speaker, those are just a few highlights. The status report I've tabled this morning is comprehensive, but no one should think this is an end. In fact, it is an important beginning, and I'm proud of the way my colleagues have responded so positively to the Premier's council's recommendations. We haven't taken the route of announcing expensive new initiatives or new support programs for disabled Albertans. Instead we've taken the Premier's council's advice and looked at what we have in place now and then how we can change the way we do business to ensure that accessibility becomes our first consideration rather than something we try to fix after the fact.

The Premier's council has told us they don't want quick fixes, Mr. Speaker. They're looking for long-term, fundamental change, change that enables disabled Albertans to be independent, responsible, and proud Albertans. That's our commitment, and we are determined to achieve the goal of full accessibility and participation by disabled people in the life of Alberta.

MR. SPEAKER: Leader of the Opposition.

MR. MARTIN: Thank you, Mr. Speaker. The government's response to the Premier's council action plan and recognizing that next week is National Access Awareness Week too – the Official Opposition would like to acknowledge the excellent work of the volunteers and, of course, the people on the council. Obviously I have to agree with most of what was said in the ministerial statement. I think we've tended too often to concentrate on the visible barriers. Although that is important, it means a lot more, as the minister says, than changes to buildings; it means full and active participation. I certainly agree, as we have pushed on this side of the House to extend the home care program. We certainly agreed with that in the throne speech and through the Minister of Health's program.

Mr. Speaker, I would like to move, though, to where the minister says:

We haven't taken the route of announcing expensive new initiatives or new support programs for disabled Albertans. Instead we've taken the Premier's Council's advice and looked at what we have in place now and then how we can change the way we do business.

Well, that's fine and dandy. I agree there has to be a long-range plan and everything can't be done overnight. But let me just turn to one area, and I'm talking about AISH. These people – many of them are disabled – live below the poverty level; they're in desperate need of a raise. The amount of money they get is \$755 per month. Now, I don't consider this a quick fix. I just consider this reasonable under the circumstances when you're that far below the poverty level, and surely the government could do something about that. I would also point out to the minister that people moving into communities from institutions often do not get the proper support services. I do not consider this a quick fix. Again, I consider this reasonable under the circumstances.

10:20

Mr. Speaker, we noticed that in the throne speech they promised to implement a number of recommendations as announced previously. We've asked questions in budget debate about some of these recommendations: when, how many, which ones? We understand now from the minister's announcement that some will be coming from the Minister of Labour, but I wish the government could be a little more specific about their overall plans as enunciated in the Speech from the Throne.

So, Mr. Speaker, we certainly will agree with the thrust of it, but we think in the short term there are a lot of things that could be done and should be done by this government.

head: **Oral Question Period**

MR. SPEAKER: Leader of the Opposition.

Senior Citizens Programs

MR. MARTIN: Thank you, Mr. Speaker. To the Associate Minister of Family and Social Services. The increasing use of public propaganda blitzes by this government reveals to me in stark terms just how defensive, desperate, and out of touch it really is. We watched as this government spent hundreds of thousands of dollars, perhaps into the millions, of taxpayers' money in a TV blitz to sell their so-called balanced budget. We have just observed the minister of economic development haphazardly hopping all over the province with misleading propaganda to cover up his government's outrageous loan guarantee losses. Now we see this government is going to send propaganda pamphlets out to 190,000 seniors' households in a bald attempt to hide the fact that its cutbacks to programs have hurt seniors all over this province. Seniors know what's going on. They don't need this. My question to the minister is simply this: given that this government doesn't have money for seniors and has slashed \$21 million or \$22 million from programs for seniors, can the minister explain how much it is going to spend on this Conservative damage-control advertising program?

MR. BRASSARD: Well, Mr. Speaker, I would like to thank the member for raising this issue, because it's an issue that was created by his own party. We are indeed sending out brochures explaining the programs that are in place and the changes that have been made, because there's been a great deal of confusion and anxiety raised due to that confusion by the members of the party opposite. We are tying in with our usual activities announcing seniors' week that is coming up in two weeks, and we're taking advantage of that. I don't have the figures this is costing at the moment because we're in the middle of it, but I will have those shortly.

MR. MARTIN: Let me understand this minister. He's saying that seniors don't understand the cutbacks, that somehow they're totally misled, so they're going to go into the barrel of money from the Treasurer, dig in: whatever it takes, we'll send out a propaganda blitz, Mr. Speaker. Is the minister saying that he has no idea how much taxpayers' money he's spending to mislead seniors? Is that what he's saying?

MR. BRASSARD: Mr. Speaker, I did not say the seniors were confused. I said they were concerned, and they were concerned because of the anxieties brought on by the confusion and deliberate misrepresentation of the programs and changes to those programs that were made in this House. I have an idea; the member asked for an exact amount. I don't have that at the moment, but I feel a very strong responsibility in making certain that if anxieties exist, those anxieties are relieved, and I can justify the expenses involved.

MR. MARTIN: Mr. Speaker, the old saying "Spend, spend, spend," but you don't even know how much you're spending. If the minister had consulted with the seniors, they wouldn't be in this dilemma. Now they think consultation is sending out a propaganda blitz. That's their idea of consultation. But the

amount of money he's spending that he refuses to tell or he doesn't know . . . A simple question seniors are going to ask him: wouldn't this money have been better spent putting it back into seniors' programs they've already cut instead of sending out a propaganda blitz to them?

MR. BRASSARD: Well, I take exception to the word "propaganda," Mr. Speaker. I can't help but . . . This is a lot of nonsense. Once again there's been an awful lot of anxiety raised by the misrepresentation and fear-mongering that has gone on, particularly by this party. Anything I am doing is trying to correct their action. I'd be very, very willing to accept a part of their communication allowance to deal with the correction of some of the very facts they've been distorting. If anyone has a responsibility to address this situation, I would look to that party to lend a hand. [interjections]

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

Community Health Services

MR. MARTIN: The second question is to the Minister of Health, the cohort in this, Mr. Speaker. Two days ago the Minister of Health defended her government's cutbacks in the number of public health inspectors in this province by replying that she wants to train restaurant operators and others to police themselves. Now, this is such a brilliant, bright idea that I'm surprised the Premier didn't think of it first. Think of its applications. We could save millions by chopping traffic cops and simply training motorists to police themselves, by axing occupational health inspectors and simply training employees to turn themselves in when they ignore worksite dangers, and by firing fire code inspectors and simply training builders to adhere to standards voluntarily. I've heard a lot of nonsense from this government, but this is right up near the top. I'd like to give this minister a chance to retract this ridiculous proposal. Isn't it likely that the very people who are the subject of health regulations may not be the regulations' most objective enforcers?

MS BETKOWSKI: Well, Mr. Speaker, perhaps the hon. Leader of the Opposition would like to make fun of the 13,000 Alberta restaurant employees who have already taken this course and are working in their own food establishments with the knowledge, the understanding, and the education they need to serve the public in a healthy way. If he'd like to make fun of them, let him go right ahead. We believe there's a complementarity between the inspection service and the education and working with employee service as opposed to simply an inspection service, which I know the Leader of the Opposition would prefer only. We think by working in partnership with our restaurateurs across this province we can, in fact, make a healthier province for healthier Albertans.

MR. MARTIN: Mr. Speaker, the reality is you're just cheap, you've cut back, and you don't care about public health. It has nothing to do with partnership. But to talk about it, if she wants to, the Alberta Restaurant and Foodservices Association thinks the minister is dead wrong. In fact, they said there should be more health inspectors, not less. That's coming from them. They take their position seriously, unlike this minister. My question to the minister is this. By enforcing cutbacks in the number of Alberta public health inspectors, is the minister not directly failing in her mandate as expressed in a 1991

environmental health study done for her department, and I quote, to "ensure the health and well being of individuals and their families is protected"? She is failing in that.

MS BETKOWSKI: Mr. Speaker, the hon. member is wrong when he says there have been cutbacks in public health. As he should know, we've had a 20 percent increase in the public health budget this year for the '91 budget of the Department of Health. I think it's an important statement of the priority we place on community health services. However, he is correct that the environmental strategy paper which was commissioned by the Department of Health is certainly looking at environmental health strategy and the role of health inspectors whose role is increasing. We want to look at how to best use those inspectors, given the shortages there are in some places of this province to hire people with qualifications. So it is part of an overall plan to look at health inspection workers as part of our environmental health strategy. Certainly health units, not this government, are looking at priorities within their own communities as to how they may use their resources most appropriately. Working in partnership with those health units, along with the 20 percent increase, I believe is a very strong statement of commitment by this province.

MR. MARTIN: The only strong statement coming from this government is that the health care system is in jeopardy, Mr. Speaker. There are cutbacks of health inspectors, and she's well aware of it. My question to the minister is simply this. The minister's legacy is the closing of hospital beds, health care workers being fired, and health units cutting back. That's her legacy as a minister. How can she stand here day after day and say that the health care system in this province is not being jeopardized by her government's policies?

10:30

MS BETKOWSKI: Well, Mr. Speaker, with a lot of effort from a lot of people all across this province, at least my legacy won't be one of bankrupting the health care system, which is certainly the way the opposition would like to go. We have provided a 10 percent increase to our health care system. We have work going on across this province which is bringing people within the health industry and Albertans together in a way that has never occurred before. We are making sure that we as a government can pass on something that we feel is very precious in this country, and that's the sustainability of our health system. We're going to make all the effort in the world we can to ensure that we preserve it.

MR. SPEAKER: Edmonton-Glengarry.

Head Start Program

MR. DECORE: Thank you. My questions are to the hon. Minister of Education, Mr. Speaker. A program known as Head Start has been initiated in Edmonton with great success. The program has been tested in the United States and has been in place since 1960 in much of the United States. It's a program to lift children who are disadvantaged by giving them assistance to make them equals in terms of those children that come from homes that have greater resources. It is estimated that for every dollar invested in this program, society saves between \$5 and \$10 down the line. My first question to the minister is this. I know that the minister has shown and has expressed interest and sympathy for this program. I'd like to know whether the minister has now completed his investigation and when we can

be told or when we will see a policy and moneys delivered to make sure Head Start works throughout the province of Alberta.

MR. DINNING: Mr. Speaker, the hon. member is absolutely correct: Head Start works. We have begun in a small way to make funding available for that kind of program. In our funding for community schools there is the flexibility for school boards to be able to mount that kind of Head Start program with over 5 and a half million dollars' worth of funding in community schools. In addition to that, a pilot program in four school boards in Calgary and Edmonton, some \$2.6 million this year: those funds are there and available for a school board to make that kind of decision to meet the needs of their students in those two communities. Mr. Speaker, my colleague the Minister of Family and Social Services and I have met with the strong advocates of Head Start, especially in the city of Edmonton, and we are endeavouring to do our best to find ways to support the further expansion of that Head Start program.

MR. DECORE: Mr. Speaker, I appreciate the interest and the sympathy and the excitement the minister shows for this program. It really is genuine and I appreciate that. The problem is that if you talk to school boards, to people involved in social welfare volunteer organizations, there simply is an absolute taxing to the limit of the moneys you've talked about. There aren't moneys that can be divvied up further and further and further. The pie can't be cut up. They need more money, and society can save . . . My question is this, Mr. Minister. It's more moneys that are needed.

MR. DINNING: Where's your wallet?

MR. DECORE: The hon. minister is talking about "Where's your wallet?" The wallet is . . .

Speaker's Ruling Brevity in Oral Question Period

MR. SPEAKER: Order. Order please. Take your place, hon. member. Take your place. You were going on for a fairly lengthy time with respect to your supposedly succinct supplementary. Then you started engaging in debate. I'm sorry; you must ask your question. Let's have somebody else give the answer.

Head Start Program (continued)

MR. DECORE: Mr. Minister, my question is this. [interjections] Sit down for a minute. You sit down.

MR. DINNING: I got your question. Let me answer it.

MR. DECORE: Okay, you understand it; let's have the answer. Good.

MR. SPEAKER: The Chair now recognizes the Minister of Education.

MR. DINNING: Mr. Speaker, the hon. member is saying that money is the only answer, and I have to take issue with the hon. member. It is not simply a matter of more money poured in and stir and you'll get results. Where Head Start will work best is when there is a concerted effort amongst all the players in education, all the players in the community, not just the Department of Education, which is already funding programs

that could put dollars into Head Start. It requires a commitment by local school boards, by local city councils, by family and community support service agencies, by hospitals and social welfare agencies. Mr. Speaker, we have to stop thinking about solutions only in terms of dollars and instead focus our existing efforts into looking for results like a Head Start program. I would encourage and have encouraged and will continue to encourage agencies like I've mentioned to come together in a community to work in a concerted effort to bring about a Head Start type program.

MR. DECORE: Mr. Speaker, the evidence is clear; the proof is there. For every dollar that's invested, society, government, the taxpayers save \$5 or \$10 down the line. The minister has talked about business involving itself in this program. Many think that this is just a deflection by the minister. I'd like to know what progress you've initiated with business and when they'll come forward to deal with this very serious problem?

MR. DINNING: Mr. Speaker, first of all, school boards and the provincial government ask Alberta taxpayers including Alberta businesspeople to invest some \$2.6 billion in basic education in this budget year alone. So the business community and individual Albertans are contributing mightily to our education system.

But, Mr. Speaker, I talked about a concerted effort of all those agencies in the community as well as the business community. My colleague the Minister of Family and Social Services and I have met with some representatives of the business community, and we are hopeful that in the space of the next 12 to 18 months there may be an opportunity for some special additional funding for that kind of Head Start program.

MR. SPEAKER: Calgary-Fish Creek.

Residential Development near Elbow River

MR. PAYNE: Mr. Speaker, thank you. Several members of the Calgary board of health have recently raised public concerns with respect to a proposed recreational and residential development in the Elbow River watershed just upstream from the Glenmore Reservoir. They are primarily concerned about the potential impact of that development on the quality of the drinking water in Calgary. I'm wondering if the Minister of the Environment could advise the Assembly as to the progress of his department's review of this proposal.

MR. KLEIN: Well, Mr. Speaker, while a formal environmental impact assessment has not been conducted, understanding that municipal subdivision planning and development is the responsibility of the local authority, we nonetheless have reviewed a number of areas of concern. With respect to environmentally sensitive areas, we have ensured that there will be no residential or golf course development in those areas. We have demanded soil and slope stability measures where a geotechnical investigation has satisfied us that there will be negative impacts from the development. With respect to flood protection, we have ensured that there will be no residential development in the Elbow River floodplain. With respect to protection of Elbow River water quality, we have ensured that the sewage treatment system will be required to meet all Alberta water quality guidelines, and the system will be required to operate on the principle of zero discharge to surface water bodies.

MR. PAYNE: Well, Mr. Speaker, I'm encouraged that the minister and his department appear to be dealing with the concerns raised by the board of health, but I'm wondering: can the minister advise the Assembly what further or new and additional steps he'll be taking to ensure the ongoing protection of this critical watershed?

MR. KLEIN: Well, Mr. Speaker, again I have to reiterate that municipal subdivision planning is really the responsibility of the local jurisdiction under the Planning Act and the Municipal Government Act. Nonetheless there is pressure for development along the Elbow River, in particular west of Calgary. What I've agreed to do is meet with the Calgary board of health and perhaps put in place a multistakeholder group to do some baseline studies on the Elbow River and set some guidelines, some parameters for future and present development plans along that river course.

10:40

MR. SPEAKER: Edmonton-Strathcona.

Brewery Strike

MR. CHIVERS: Thank you, Mr. Speaker. Yesterday I drew to the attention of the Solicitor General the fact that the Molson's brewery in Calgary was replacing lost production due to the strike there by bringing in beer from B.C., and the Solicitor General replied, "If the Molson's people choose to be on strike, then they will not bring in beer from other provinces." I have for filing today a copy of the B.C. decision that I relied upon. My question is for the Solicitor General. Given the fact that since the date of the decision Molson's has imported 36,000 dozen beer and 252 kegs from B.C., how does the Solicitor General explain to Albertans the blatant disregard Molson's is showing for his so-called denial of their request to bring in beer from outside Alberta?

MR. FOWLER: Mr. Speaker, I'd like to further clarify that and apologize if there was any misleading statement made yesterday. There has been for a number of years in the province of Alberta an agreement with breweries that breweries can in fact import up to 10 percent of product into the province of Alberta. The letter I referred to yesterday to the Liquor Control Board from Molson's was a request to exceed this limit, and that was put before me as Solicitor General and minister in charge of the ALCB. I indicated as a direction to the chairman of the ALCB that under no circumstances was the agreement to be exceeded and the agreement must continue to be in force as it was, without any exception.

MR. SPEAKER: Supplementary.

MR. CHIVERS: Thank you, Mr. Speaker. The facts are that Molson's is importing a good deal of beer, and it's obvious that this could exceed the 10 percent limit. I'm wondering what steps the Solicitor General is taking to monitor this situation to see that they do not in fact exceed the 10 percent limit and they comply with the reciprocity aspect by exporting the 10 percent required.

MR. FOWLER: Thank you, Mr. Speaker. The steps that I've taken of course are a direct instruction to the chairman of the Alberta Liquor Control Board that it was not to be exceeded and the agreement as it is in place is to be strictly adhered to. I fully expect, and have no reason to believe otherwise, that the

chairman and the board will accept that instruction from this minister.

MR. SPEAKER: Calgary-North West.

Northern Steel Inc.

MR. BRUSEKER: Thank you, Mr. Speaker. Since the front bench is reminiscent of an old man with many missing teeth, my question today is to the silver-haired and silver-tongued Treasurer. The Al-Pac pulp mill is going ahead despite the protests of thousands of Albertans. We all know that this government likes to stack the deck in favour of its friends, and it therefore comes as no surprise that the Northern Steel company in Edmonton that donated so heavily to the re-election campaign of the MLA for Sherwood Park has been given the contract, or a substantial contract anyway, to provide steel for the Al-Pac pulp mill. My question to the Provincial Treasurer is: since the Treasurer, who is in charge of this, has managed to keep the master agreement between the government and the Al-Pac mill private, will the Treasurer today tell us what agreements or guarantees Al-Pac had to make that Northern Steel would in fact get a contract, before they got the go-ahead?

MR. JOHNSTON: Mr. Speaker, that's quite a pot of really misdirected and misleading statements by the member with respect to reflections not only on the government but on individuals who are here, and I think I'll draw that to the attention of yourself, sir, because that's not the kind of decorum we expect in this House.

Let me say as well, Mr. Speaker, the matter of Northern Steel has been discussed in this Assembly on several occasions. The minister of economic development has put forward to the people of Alberta his plan to privatize that entity. Obviously, there's some suggestion from the member that there's a connection between Al-Pac, disclosure of information on Al-Pac, decision-making on Al-Pac with Northern Steel. Now, that's just the classic red herring argument, and it doesn't even merit an answer.

MR. TAYLOR: Yes or no, Dick?

MR. SPEAKER: Thank you, hon. member. You're not involved.

MR. BRUSEKER: Sidestepping once again.

Well, my supplementary to the Treasurer is this: since Northern Steel, we all know, is on such shaky financial ground that in fact their suppliers won't even give them material on credit, will the Treasurer at least commit that no more public money is going to be placed at risk with Northern Steel, that you won't give them any more money?

MR. JOHNSTON: Mr. Speaker, I won't make that commitment at all. The member knows that Northern Steel is now essentially owned by the province of Alberta. As the minister of economic development has pointed out before, we're in the process of privatizing that entity. We don't want to maintain the control and ownership of that entity. It's been restructured, it's been revitalized, it's going to be put back in the private sector, and those tenders are now out there for the private sector to look at. Any other suggestion by that member is absolutely false.

MR. SPEAKER: Highwood.

Disabled Persons Programs

MR. TANNAS: Thank you, Mr. Speaker. My question today is to the minister responsible for the Premier's Council on the Status of Persons with Disabilities. The council has served to heighten the awareness of our need to focus on a person's abilities and not on their disability. Now, while I'm pleased to see that the government has responded to their action plan's 114 recommendations, with 30 of the recommendations already in effect, clearly, however, there is room to do more. What assurance can this minister give that the government is committed to fully dealing with the action plan recommendations?

MR. DINNING: Well, let there be no misunderstanding about this government's commitment to assist disabled Albertans to fundamentally improve the quality of their lives. Now, I ask hon. members to look at the record: Premier Getty's introduction of Bill 1 in 1988 to create the Premier's council, in 1989 this government's support for the vision statement submitted and approved by the Premier's council, and now the action plan. We have implemented 30 of the recommendations of the Premier's council's action plan. We're in the process of implementing 66 more. We could easily have just simply put out a press release and said that it's all done and put it behind us, but we are in the process of transforming the way government deals with disabled Albertans and trying to assist all Albertans to recognize that disabled Albertans have a rightful place as full contributing members of Alberta society.

MR. TANNAS: Well, Mr. Speaker, while I do appreciate the minister's assurances that the recommendations have been and are being implemented, I'd ask the minister to give us a clear and better understanding of where we go from here. How are you dealing with those 66 recommendations that are under way? Could you be specific?

MR. DINNING: Well, clearly, Mr. Speaker, I can't deal with all 66, but I'll try to deal with three quite briefly. Education, an area that I'm somewhat familiar with. In special education the Premier's council made some very serious recommendations in the whole area of special education and how we would better integrate children into classrooms. They assisted us in doing a special education review. They supported our efforts with a draft action plan. They participated with me some two weeks ago in a minister's forum on special education. They are working with us as we make changes in how we educate our children.

Mr. Speaker, in community supports the council called for a more consolidated, co-ordinated, comprehensive way of delivering personal supports to disabled Albertans. We've established a community supports task force that is creating a gradual, incremental plan to better deliver in a more co-ordinated, a more comprehensive way, programs for disabled people. Lastly, we're working in between the departments of Family and Social Services and Career Development and Employment to find out how we can better integrate and focus and co-ordinate training programs and rehabilitation programs for people with disabilities.

So, Mr. Speaker, in those three areas alone action has been taken, and strong action is in the works.

Landfill Pollution

MR. McINNIS: Mr. Speaker, yesterday in response to the Leader of the Opposition, the Minister of the Environment said about the toxic hot spots:

Basically what we're trying to do is identify these sites, determine from an engineering and a scientific point of view what we can do to clean up these sites, and if it's going to take too much and it's going to require a concerted effort at this . . . point, then what we will have to do is secure the site.

Now, one of the worst hot spots is the defunct Osmose wood preserver plant on the south shore of Lesser Slave Lake near Faust. It's an abandoned wood preserver plant heavily contaminated with pentachlorophenols; in fact, the studies show there are about 10,000 times the safe drinking water levels according to Health and Welfare Canada. Given that this site is on one of Alberta's most important fishing lakes commercially and recreationally, I'd like to know what steps the minister is taking with his commitment to secure the site?

10:50

MR. KLEIN: Mr. Speaker, as in the case of all the contaminated sites, we are performing detailed investigations, finding out what kind of measures need to be taken to either secure the site or to decontaminate the site. With respect to that specific site, I would have to get a briefing on the situation and take the hon. member's question under notice and report back to him.

MR. McINNIS: Well, I'll give him a briefing. A year ago the consultant's report was completed; it says that the contamination has spread well beyond the site and recommended a \$90,000 trench barrier to secure the site, and I would like to know why in the year since then this hasn't been followed up at all and the trench has not been built and the site is not secure.

MR. KLEIN: Mr. Speaker, I told the hon. member I would get him the information, accurate information, and bring him totally up to date and myself as well, but he misses the point. He misses the point. It was the Department of the Environment that initiated a program, a very, very unique program in this country to identify contaminated sites, to take action, to clean up these orphan sites, and where the owner could be found to be responsible, to go after the owners to clean up these sites. There is no other jurisdiction in this country that has launched a program such as the HELP program to identify these sites and take action to clean up these sites, and this should be recognized by the hon. member.

MR. SPEAKER: Calgary-McKnight.

Student Achievement Tests

MRS. GAGNON: Thank you, Mr. Speaker. Primary teachers do not shy away from accountability; as a matter of fact, they assess and diagnose continuously throughout the year. But they do have serious concerns about the current grade 3 achievement tests despite the minister's reassurances to the contrary. The reasons are many. The tests are not congruent with the grade 3 program, and their intent is confused since they're not supposed to monitor individual student results, yet individual results are sent to the schools. Parents and the public at large actually believe that the test is meant to evaluate individual students and teachers. To the Minister of Education: appropriate sample testing would be less costly and just as valid. Would the minister consider abandoning the universal grade 3 testing program in favour of sample testing?

MR. DINNING: No, Mr. Speaker.

MRS. GAGNON: Mr. Speaker, these tests are a form of adultization. They force our youngsters, age 8, into a form of

activity that is beyond their intellectual development. Would the minister at least justify the program, clarify its goals, and publicize what the goals are?

MR. DINNING: Mr. Speaker, achievement tests in grades 3, 6, and 9 are one means of assessing the progress that is being made not just by students but more particularly by classrooms, schools, and school jurisdictions. We don't share the hon. member's view that accountability and accounting for the expenditure of dollars is something we shouldn't do. We must. Alberta taxpayers are looking for that kind of accountability, and we are working specifically with grade 3 teachers to go beyond the normal paper and pencil testing to make sure the test continues to be congruent – and I take exception with the hon. member – to make sure the test is congruent with what children are learning in grade 3: what they learn and what they're expected to learn. We're going beyond the paper and pencil, and we're going to review the portfolios of those children in the year they are in grade 3. That was done in May 1990 on a pilot basis and is, in fact, being expanded in May 1991. So, Mr. Speaker, we will continue to account to Alberta taxpayers, to parents, and to other educational stakeholders to make sure that their tax dollars are being invested wisely, to ensure that their children are getting the best possible education.

MR. SPEAKER: Calgary-Foothills, followed by Edmonton-Highlands.

Free Trade

MRS. BLACK: Thank you, Mr. Speaker. Recently concern has been expressed in this Assembly with regard to future trade agreements with Mexico. Recently the minister of intergovernmental affairs went to Mexico to discuss matters with the Mexican officials. I was wondering if the minister of intergovernmental affairs could advise the Assembly if he had discussions with the Mexican officials as to whether Mexico was planning on entering the California gas markets, which could have a tremendous financial effect on Alberta gas producers.

MR. HORSMAN: Mr. Speaker, the discussions which were held by myself and representatives of the energy industry who accompanied me to Mexico City earlier this week were very useful in obtaining advice from the president of Pemex and the three most senior vice-presidents of the company relative to their plans for that company. It should be pointed out that Pemex – which is the state-owned oil and gas producing monopoly, a company in Mexico managing a fully integrated oil and gas operation – is the fourth largest company in the world. They have made it very clear, however, in our discussions that they have no intention of entering the natural gas markets in the United States of America. Rather, it is their intention to bring into northern Mexico gas from Texas and to supply the balance of the Mexican gas markets from the natural gas producing fields which are located in southern Mexico. I think that is good news for the Alberta natural gas producers since it relieves a misconception that has been in play not only in this Assembly but in parts of Alberta that indeed we would then be competing with Mexican gas into the California market. In fact that will not be taking place, and Texas gas moving into Mexico may relieve some of the competition we now have in place from Texas.

MR. SPEAKER: Supplementary.

MRS. BLACK: Thank you, Mr. Speaker. As a supplementary, I was wondering: Mexico is also a major producer of oil; did the minister have the opportunity to determine Mexico's future marketing plans for oil in the North American marketplace?

MR. HORSMAN: Mr. Speaker, of course Mexico is an exporter into the world, but what we had given to us as advice was that their intention is to maintain their current level of exports. What they are really planning to do, however, is utilize their energy resources within Mexico in their new expanding economy – and I believe it will be an expanding and vibrant economy eventually as a result of their complete 180-degree turn from the state-controlled stagnant economy which resulted from such state control over the last several decades – to enhance their industry, to build the opportunities for their own people, and to encourage a great and substantial increase in the standard of living for the people of their own country. It struck me, Mr. Speaker, that the people we met with knew the issues and were on top of them and are indeed proposing to make a dramatic change in that country. I applaud them for their efforts.

Advanced Education Board Appointments

MS BARRETT: Mr. Speaker, yesterday defensive letters written by the Minister of Advanced Education started arriving on the desks of members of boards of colleges, universities, and technical institutions. I have a copy of this letter, and I'd be pleased to file copies with the Assembly. The interesting part about this letter, the defensive part, is that the minister is running scared on the subject of electing board members as opposed to cabinet appointments of them. He goes so far as to say that I said in the House that current members should even "be fired and future board members be selected by election of stakeholder organizations." My question to the Minister of Advanced Education is this. Why is the minister so scared about the possibility of electing board members to these very public and accountable institutions? What's the problem?

MR. MARTIN: What's wrong with democracy?

11:00

MR. GOGO: Mr. Speaker, I don't believe there's anything wrong with democracy. If the Member for Edmonton-Highlands is embarrassed or proud of what's in *Hansard*, I would hope she'd like members of the public and certainly board-governed institutions to be in receipt of it. I thought I was doing the member a favour by seeing that the people affected were receiving a copy of her comments in *Hansard*.

MS BARRETT: Thanks to the nice guy across the way. I'll tell you, Mr. Speaker, that I have enjoyed it, because there is a lot of support for my private member's Bill, which the New Democrats do stand behind. We believe in electing boards and having them accountable.

My question to the minister is this: if he's so convinced, as he said on that day in the Assembly, that his appointees are so good, why is he so scared to allow them to stand for election, which is what would happen if my Bill were enacted?

MR. GOGO: Mr. Speaker, I'm puzzled by the Member for Edmonton-Highlands, who thinks the hon. member is clairvoyant. Our position is very clear. We believe that citizens within a community that the institution serves, not Edmonton and certainly not government, are best qualified to determine the affairs of the institution. We go to great lengths to solicit

nominations for appointments to the boards of governors. In my view one only has to look at the record that I just quoted. Those who would take issue with people like Mr. Milner at the U of A, Mr. Haskayne at the University of Calgary, Mr. Libin at SAIT, and Mr. Shaw at NAIT – I am surprised at the inference of the hon. member, who thinks that these are not well-respected, qualified, and experienced people in Alberta who are serving the public well.

If the hon. Member for Edmonton-Highlands is prepared and wants to endorse a process of having these people elected, I encourage her to proceed with the Bill, and if members of this Assembly agree, that'll become the law.

MR. SPEAKER: Calgary-Mountain View.

Native Education

MR. HAWKESWORTH: Thank you, Mr. Speaker. The languages and cultures of aboriginal people flourished in Alberta before the arrival of Europeans. Unfortunately, efforts by government and church to suppress aboriginal cultures led to the loss of heritage and languages. A recent major report by the Assembly of First Nations indicates that several Indian bands in Alberta continue to experience significant declines in the use of aboriginal languages. To the minister responsible for native affairs: will this government support the establishment of an institute whose purpose would be the preservation and promotion of aboriginal languages in Alberta?

MR. FOWLER: Mr. Speaker, that is an extremely complex matter. To give any commitment here today in respect to setting up such an organization, establishment, or whatever, would be totally inappropriate, I believe, without a very deep study into the subject itself, and I simply cannot make that commitment at this time.

MR. HAWKESWORTH: Mr. Speaker, the native education project introduced by Alberta Education in 1987 to strengthen ties between home and school with liaison workers appears to have been successful. However, a major obstacle in the way of further progress is the widespread lack of aboriginal teachers in the classroom. I'd like to ask the Minister of Advanced Education: given that this government's policy statement recognizes that participation of aboriginal teachers is an essential part of improving the learning opportunities for native students, why has this minister been so reluctant to establish a native teacher education program, as proposed by the deans of education of three universities in this province?

MR. GOGO: Mr. Speaker, as the member may well be aware, we have in this year's budget, I believe, an appropriation of some \$120,000 to deal with the whole question of native teacher education for northern Alberta.

MR. SPEAKER: Westlock-Sturgeon.

Agricultural Trade

MR. TAYLOR: Thank you, Mr. Speaker. My question today is to the Associate Minister of Agriculture. Alberta farmers are wondering about the obsequious silence of this government when it comes to the Mulroney government opening up the border for U.S. wheat imports. This is in spite of the fact that the U.S. has broken the spirit of the free trade agreement by bonusing their grain exports abroad, thereby bringing the price of wheat down

so the Canadian government has had to expand their subsidies and consequently open the border for American wheat. I and many other farmers in Alberta would like to know why this government is not making some moves or pressuring Ottawa to pressure Washington to keep the border closed for awhile yet.

MRS. McCLELLAN: Mr. Speaker, I think in the member's question there was an assumption which he may not be correct on. Certainly the Minister of Agriculture and myself have had discussions with our federal Minister of Agriculture on this issue. I should point out to the hon. member that we export wheat to the U.S. far more than we would expect they would bring wheat into this country. The reason that the U.S. buys Canadian wheat is because of the very high quality of wheat that we grow here. I don't think that is probably going to change.

MR. TAYLOR: Mr. Speaker, the question was what this government is doing to try to keep the border from being open to stop the flow north. We know there is a good flow south, but we're talking about the flow north, which the federal government will allow. You said you had discussions with the federal minister. What did you tell the federal minister to do with respect to border opening for American grain coming north?

MRS. McCLELLAN: Mr. Speaker, the discussions that we had with the federal minister certainly hinged around the fact that we are staying within the terms of an agreement. We do have an agreement, a trade agreement, between the U.S. and Canada. The agreement does state that when certain levels of support are balanced, then exports and imports change. We're staying with the spirit of the agreement. We will be very careful that it is done in the proper way with our trade agreement. I would remind the hon. member that the United States is the biggest customer of agricultural products from this province, in particular, and I would ask the member to become more familiar with our trade agreements and the rules that we on both sides of the border live within. I'd be happy to share that information with the hon. member and have a further discussion with him on it.

head: **Orders of the Day**

MR. SPEAKER: Might we revert briefly to Introduction of Special Guests?

HON. MEMBERS: Agreed.

MR. SPEAKER: Opposed?
Public Works, Supply and Services.

head: **Introduction of Special Guests**
(*reversion*)

MR. KOWALSKI: Thank you, Mr. Speaker. In the members' gallery this morning are 43 students and three teachers from Onoway junior/senior high school. Onoway is located about 40 miles to the west of the city of Edmonton. Last weekend that small community of only 661 people hosted a national rope skipping championship, and it was a very, very proud and successful event for that community. The students are accompanied this morning by three teachers: Ms Schuster, Mr. Rohatyn, and Mr. Yee. They're all in the members' gallery, and I'd ask them to rise and receive the warm welcome of my colleagues in the Legislative Assembly.

MR. SPEAKER: Westlock-Sturgeon, followed by the Minister of Education.

MR. TAYLOR: Mr. Speaker, it's my honour to introduce to you today and through you to the Legislature 66 students from the Lilian Schick school, Bon Accord. They are in the public gallery accompanied by teachers Mrs. Koistinen, Mr. Downing, and Miss Sych, and parents Mr. Lesyshen, Mr. and Mrs. Madge, Mr. Wiens, and Mrs. Nahirnak. I would ask them to stand and receive the customary greeting of the Legislature.

11:10

MR. DINNING: Mr. Speaker, Premier Getty introduced members of the Premier's council in absentia. They are now with us in the gallery: chairman Gary McPherson, members Harvey Ball, Dr. Jim Vargo, Cheryl Crocker, as well as Fran Vargo. I'd ask them to wave or rise and receive the warm welcome of members of the Assembly.

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

Bill 29
Loan and Trust Corporations Act

[Adjourned debate May 13: Mr. McEachern]

MR. SPEAKER: Edmonton-Kingsway.

MR. McEACHERN: Thank you, Mr. Speaker. We got started on Bill 29 the other day. The minister introduced it, the Member for Calgary-Mountain View responded at some length, as did the Member for Calgary-Buffalo, and then I was in the middle of my response to the Bill when time ran out on us. So I'd like to remind people of one or two of the things I said and then sort of summarize some of our thoughts on this Bill at this stage.

[Mr. Deputy Speaker in the Chair]

Bill 29 is the Loan and Trust Corporations Act, which we've been waiting for for a long time. We did see a slightly different version of the Bill last spring. The minister assured us that he had changed one thing along the lines that the Member for Calgary-Mountain View had suggested by removing the provision that he could decide whether or not charges should be laid if there was some wrongdoing in a corporation. When we suggested that was really the role of the Attorney General, I guess the Treasurer decided that was right and backed off from that particular point.

However, as I recall, there were a number of other areas in which we thought the minister took quite a lot of power unto himself, and that is still the case in this Bill. I'm not going to mention very many of them.

If you look on page 48, for example, there is one section, the "Issue of shares." The final point, 56(4)(b), says: "in any other circumstances with respect to which the Minister has given his prior approval." That kind of expression, you know: the minister's prior approval or the minister's consent in writing.

"Unless the Minister consents in writing to the holding" is from "Prohibited shareholdings," page 51. There's a number. It's a fairly common expression throughout the Bill that the minister will decide this or the minister will decide that or can exempt this or can exempt that.

Page 63, "Exemption," 79(2): "The Regulations Act does not apply to an order under subsection (1)," and in subsection (1):

The Minister may by order exempt any provincial corporation or other person from the application of section 77 or 78 in whole or in part,
and so on.

So the minister still retains a very strong hold over what goes on with trust companies. To some extent that's right and he must; he has a responsibility there, but I think there are instances where there should also be an appeal or some specific criteria laid out – and in some places there are – terms and conditions under which the minister can make exemptions or change things or in some way make a personal decision that will affect a lot of people, a lot of depositors, a company, and the general well-being of the financial institutions in this province.

Another expression that is quite common, of course, is: the regulations shall specify. Of course you do need regulations to back up legislation. We understand that. But this government does have a penchant for putting a lot of things into regulations, which are much easier for the minister to change at will, rather than in legislation. It would be nice to see some of those regulations before we do final reading of this Bill. I don't suppose, if precedent is anything to go by, that we likely will, but it would be nice if the minister could bring himself to bring the regulations forward so we could have a look at that as well to see what some of the details governed by this legislation will actually be.

Now, in the previous comments I made, I ran around some of the items and some of the problems that the province has experienced in financial matters, and so did the Treasurer, and so did the Member for Calgary-Mountain View particularly. The basic problem that the government is trying to get at, of course, is to now reregulate the deregulated financial industries in this country. I want to just take a couple of minutes on that point and reiterate a couple of things I've said before in this House.

About five years ago there was a big move to deregulate what were called the four pillars of the financial industry in this country. We had the stock market or securities, the banks, the trust companies, and insurance companies, and those four businesses, if you like, were separate and distinct, had distinct Acts governing them. There were rules against the same company owning a bank and, say, a stockbrokerage firm. They were four distinct pillars, as they were called.

That has pretty well broken down. We now have banks owning stockbrokerage firms. We now have the banks fighting for the right to sell insurance, and I'm sure it's going to happen one day, the way things are going. We have trust companies acting like banks. I'll remind the Treasurer that I asked him to try to distinguish for us a little more clearly the difference he draws between loan companies, which are allowed to do mortgages, and the trust companies, which have some fiduciary responsibilities, and why that distinction, why you would need a loan company. Perhaps it's just a matter of not trusting some of the loan companies that are into mortgages to also be involved in fiduciary responsibilities because they might lose somebody's money that they've been given in trust, because, of course, particularly the mortgage side of the loan industry is rather risky. I want to take a minute on that.

One of the areas in which we've had a lot of problems in Alberta has been the mortgage industry, the real estate industry. It's been the cause of a lot of the financial institutions going down: Dial, Tower, Battleford, a number of the companies. Principal, although they claimed they weren't involved much in

the real estate industry, was in fact into it in quite a big way. The Treasurer has often stood up in the House and said that a lot of the reasons for the financial institutions' problems in the early '80s in Alberta was the boom/bust in the real estate industry. Certainly it was a factor, but I would like to remind the Treasurer that the government actually added to the problem.

The problem really started in the '79 to '81 period when real estate prices started going up and the Bank of Canada started running high interest rates with the idea of discouraging people from continuing to speculate and purchase land or houses. Because nobody really took them seriously, people kept buying anyway. For a long time if you raised the interest rate, say, from 14 percent to 16 percent, and people continued to buy anyway, then that in itself became somewhat inflationary. It is true that the Alberta government during that period became probably the biggest landholder in the province – and I'm not talking about Crown land and the right of the government; I'm talking about specific purchases of land, land banking, and that sort of thing – and was involved in a lot of fast rollovers and increases in land prices that helped to fuel speculation and drive the price of land up to ridiculous heights. Finally, in '81 the crash came when interest rates got up to something like 22 percent. I would just say that the Alberta government had some responsibility for the boom/bust in the real estate industry along with, of course, the federal government and interest rate policies, which finally did burst the bubble and caused a great deal of trouble in the real estate industry for a lot of financial institutions based in this province.

I would also say, though, that with most of the companies that got into trouble, that went bankrupt, whenever there's been an investigation done, there's also been some very suspect kinds of activities going on. I don't think it was reasonable for the Treasurer just to paint all the problems as being, sort of, "Well, it was the boom and bust in the real estate industry." Certainly the Principal affair would indicate otherwise. Certainly the North West Trust situation was one that had some rather strange edges to it, as I've talked about in this House before. Battleford, another one; Dial, another one.

11:20

The real estate industry is one that holds quite a lot of danger, I think, to the people that invest in it. One would hope that the industry moves in a more gradual and stable way in the future compared to what it did in the late '70s and early '80s. Perhaps if that kind of speculation that was the basic root cause of the problem occurs again, it would seem to me it would be a good idea to have in place some kind of capital gains tax, for example, which I know this Bill doesn't cover, that might reduce some of that speculation on property. It would certainly help if the government didn't get into the kind of buying frenzy it got into in the '79 to '81 period, adding to the speculation. Anyway, I rather don't think they likely will now, having somewhat learned a lesson, and it's still recent enough to probably stop any government in Alberta from doing it again for some time.

Mr. Speaker, our assumption is that this Bill is a step in the right direction and does do some things that are useful to the reregulation of the deregulated financial institutions of this province. As the Treasurer pointed out, it's part of a trilogy, the consumer protection Act and the Credit Union Act both having been passed already. I've made comments on those, so I won't reiterate my points. However, I think the Bill still has some shortcomings, and we'll get into them in more detail in Committee of the Whole.

I'd like to just mention briefly that I think the consultation process has been in some ways inadequate. I mean, I know a similar Bill was put forward last year, so we've had quite a bit of time to look at that, but the Treasurer, it seems to me, has spent most of his time talking to a few businesspeople and keeping very secret as to what was going to be in the Bill up until that time. Now, of course, we haven't had this Bill in our hands too long, so we haven't been able to compare it line by line yet with the previous Bill to see whether it is exactly the same or just how many changes there are. I would suggest to the Treasurer that even in difficult matters like financial regulations there are people in the public that could give good input to this kind of legislation and who are not just a few in-groups of business friends, and so he should consult more widely.

One of the areas that I have some concern about, and I've been trying to figure out what the rules really are, so to speak, I have not yet been able to get a real good handle on. Maybe the Treasurer can make some comments. I seem to remember some from earlier. I'm interested in not only the ownership laws for who can own a trust company and how much of it they can own, but I'm also interested in any foreign ownership of trust companies based in this province or regulated by the province that might take place. I don't find that there are very satisfactory answers in here. There is some talk about – I think it's page 86 – the majority of the directors having to be Canadian. That's fine as far as it goes, but what about actual ownership?

I suggested when the previous Bill was brought in last year that the Treasurer should look at the federal model at least as a modest start in the right direction. I believe they wanted to limit ownership of a trust company by any one individual to something like 65 percent, that 35 percent of the shares would have to be held by a nonprincipal of the company. We should at least go that far. I would remind him, as I said the other day, that the banks, which are doing much the same kind of business as trust companies, have a regulation that says that no one company or corporation can own more than 10 percent of the bank. So if a trust company is going to be competing with banks, it would seem to me that maybe we should look to at least moving in that direction, compared to allowing one corporation or one person to own a trust company as if it were their own fiefdom. I think we saw the trouble you can get into with that with the Principal affair, for example, or with the North West Trust and the Heritage Savings & Trust Company situations.

The rules on foreign control of provincially owned trust companies are not clear to me. To what extent will they be governed by rules that Ottawa has developed under the free trade deal? I would like the Treasurer to comment again on that. I think he did make some comments on that at some point. I can't remember if it was last year or in his introduction this year. It is a section that should be looked at fairly carefully. I would just remind him that although we are a province of Canada, we're talking here about provincial companies, so he probably does have some leeway as to how stringently he might like to see to it that the Alberta companies are basically Albertan and Canadian owned as opposed to foreign owned.

Another section I want to just raise, and I would look through it a little bit in the new Bill: I don't think the government or the chartered accountants have quite come up with clear enough rules on the responsibilities of auditors. The CCB collapse showed that auditors can also be sued if they have somehow gone along with some practices that were unacceptable under financial regulations and legislation. It is difficult to know how

much to blame the auditors if some company is doing something wrong and the auditor comes along and sees that but doesn't somehow make it public or doesn't stand up to the management and agrees to the publication of an annual statement that is a little less than candid. So I think the Treasurer should have a good look at that section. It's sort of like the auditors have a certain amount of responsibility, but it's not their responsibility.

The same kind of thing applies, in a way, to the directors: how responsible are the directors for the direction and management of the company? I was just reading through that part a few minutes ago, and one section sort of lays out that the directors are responsible and bang, bang, bang, point by point, but then the next section says, "Well, but they're not responsible if they didn't know what was going on." It's a little ambiguous as to just how you would determine where - it's a little bit like ignorance is bliss, I think. You know, if the director can sort of claim he didn't know or wasn't told or didn't realize, then somehow he's also exempt from responsibility, and yet if he is a director of a company, somehow he should know, there's some responsibility to know. So that area is one that needs to be looked at fairly carefully.

The rules, also, for the insurance of deposits. That section needs to be looked at more closely, and I'm not sure at this stage what will be produced.

MR. DEPUTY SPEAKER: This is to advise the hon. member that his time has expired.

Is the Assembly ready for the question?

SOME HON. MEMBERS: Question.

MR. DEPUTY SPEAKER: Does the minister wish to close debate?

The hon. the Provincial Treasurer.

MR. JOHNSTON: Thank you very much, Mr. Speaker. Progress on second reading of Bill 29 has been full of interest. I listened carefully to the comments of the NDP party - sic "party." In doing that, Mr. Speaker, I do agree with the members who have spoken so far that in fact it has been a very long process, a process which has provided ample opportunity for not just friends of the government, in the words of the Member for Edmonton-Kingsway or somewhere - the constituents never know where he's from either - as the member suggested wrongly, but with a wide range of people, including those people who will have to use the legislation. To say that we have only had a cursory review of it is, in fact, wrong. What is accurate and what can be put on the table is: no matter how long you give the NDP party to look at the Act, their understanding becomes more confused than ever. It certainly adds to the ambivalence that many people have seen in the minds of the NDP party, and I would hope that before the Act is proclaimed, is put in place, we would in fact have an opportunity for him to get up to speed on this . . .

Point of Order Redundancy

MR. DEPUTY SPEAKER: Order please. The hon. Member for Edmonton-Jasper Place is rising on a point of order.

11:30

MR. McINNIS: This is the second time the Treasurer referred to the "NDP party." That's what happens when the New Democratic Party gets together and has a social gathering. I'm

sure he means the New Democratic Party. If he wants to say "ND Party," that's okay, but "NDP party" doesn't work.

MR. JOHNSTON: Mr. Speaker, that's not a point of order; that's a point of nonsense, and he knows it, a point of nonsense. If I want to call you the NDP party, I will. Every time I use it, I want *Hansard* - and I'll draw their attention to it, that it's NDP party; that's who you are. The NDPs: that's who you are.

[Mr. Speaker in the Chair]

Now, where was I, Mr. Speaker, before somebody took me down this silly track, this silly approach? I know it's sensitive to them. I like it: NDP party. Good stuff.

MR. SPEAKER: Thank you. You're now guilty of repetition, hon. minister.

MR. JOHNSTON: I'm only trying to catch up to the NDP party, Mr. Speaker.

Debate Continued

MR. JOHNSTON: Mr. Speaker, I won't be afraid to admit, as many people have suggested, that this in fact is a very complex piece of legislation. This legislation, as I've said in the House before, has a long history. It goes back and perhaps reflects part of the federal legislation. Some work there on the white paper has reflected in a numerous amount of reviews and analyses problems in the industry here and has reflected a wide consideration by other provinces through what I've described as the harmonization process. That harmonization process has led us to have a great deal of pride and faith in this legislation, because it is in terms of this Alberta legislation, in terms of Canadian legislation, a very contemporary Act. It does deal with the changes which have taken place in the financial services sector around the world, and again I'd be among those who would encourage all members to try to understand that this financial institutions system has changed dramatically.

You've seen the amendments that I've had to make, for example, to the Financial Administration Act, amendments which allow us to do those kinds of complex transactions which are now commonly found in the private sector of the financial intermediaries sector: transactions which are so-called derivatives which allow us to do certain kinds of protections to assets and liabilities in terms of currency, in terms of interest rates, in terms of duration, to ensure that we get the kind of position we want no matter what kind of currency, no matter what interest rate or what duration is involved. We can settle ourselves through these kinds of complex transactions to do just that.

As I've said before, financial services has now become the information age industry. Transactions move around the world. The foreign exchange market handles currencies. Probably the largest pool of money floating anywhere in the world is in this financial services sector.

What we want to do here in Alberta is protect the depositor, and we're going to do that with this legislation. That's the key intention of this legislation, as I said. I don't think anything I've heard from any of the opposition parties has changed my mind that this is not a good piece of legislation. What it has confirmed, as I said before, is that there's still some misunderstanding in the minds of those people who are commenting on the Bill, and I will do my best to try to satisfy that misunderstanding.

Let me say again that with respect to the four pillars, there is no question that the blurring of the four pillars of financial institutions – banks, insurance companies, trust companies, and securities dealers have undergone this dramatic transformation that I talked about, and perhaps it started in 1967 when the banks were allowed the opportunity to get into the mortgage business. As a consequence to that we've had significant changes over that period, and this piece of legislation will allow trust companies through subsidiaries to be involved in all aspects of the financial services sector. We would say that in the case of direct investments, the limits on the direct investments in these entities is in fact also controlled by this legislation. Still further, Mr. Speaker, it is true that if we want to use the discretion of the Act, we can control and ask the company to dispose of or be prudent with its investment in these subsidiaries, but it is through the subsidiaries that the variety of operations, whether it's data processing, securities dealers, and other kinds of trust company operations in particular can be carried on. The core functions, Mr. Speaker, I guess to some extent will maintain, but there is going to be this particular blurring as to ownership in particular.

Secondly, Mr. Speaker, there was some comment about the circumvention of the regulation by discretion of the government or the minister. This is a two-part circumvention, because I wasn't altogether clear as to how the members were handling these comments. In one case they said that the minister had discretion to allow certain transactions to take place, and they did not understand how that would take place or why.

Let me say that in an Act such as this legislation, it is a requirement that the government or the minister have some flexibility. Let me draw upon our history here. You can see that if an entity is in trouble and you may have a proposition – for example, as we have seen across Canada recently – to acquire the difficult or financially stressed company by a larger financial institution, it would be in the interests not only of the depositor but in terms of the regulators to find a way to expedite that transaction. That's really why this ministerial discretion is in place: to allow some activities to be moved, expedited, and dealt with efficiently so that we can get the transaction done to save the entity and save the depositors. That's really why this is in place, and that's the only real reason that you have that responsibility so vaguely described in the Act.

As to circumvention of regulation by the companies themselves, which would seem to be part of the discussion, I can say that it is not likely and has not been the case that companies move their head office simply to get around the provincial regulation. Moreover, it is clear that companies operating in Canada at the provincial level have asked for this kind of clarification, this harmonization, this legislation that we are bringing forth today. I think you'll see that this will provide a great deal of comfort to the financial services sector now operating in Canada and in this province. Companies typically maintain their first office or head office in that area where they emerged or grew and where their primary source of business continues. So I don't think, and it's not logical to suggest that there will be in some fashion an avoidance of tough regulatory requirements by moving head offices or conducting business in a different fashion. With the harmonization, with the information sharing, with the standardization of legislation, it's clear that that will not be possible by the entity.

There has been a comment with respect to the 65 ownership rule in federal legislation. It is true that the federal policy is that once a corporation has a capital base of \$750 million and it's closely held, there has to be some wider dispersal of the

equity or ownership of that entity and that 35 percent of the voting shares must be, I guess, redistributed. Let me say that that law is not necessary in provincial legislation. No other province has that legislation requirement because, of course, we don't have any entity now operating at the provincial level that has equity anywhere near the \$750 million. That's a very large size operation, and I don't know that we would have to have that kind of legislation nor do we have to adopt that kind of rule. We would obviously continue to review and update ourselves as we go along, but I don't think having that current legislation in place as it is triggers any abuse.

Mr. Speaker, there were some other questions affecting the auditor which were quite puzzling. If you look at the legislation that I have introduced, sir, you'll see that if anything this piece of legislation steps up, provides more description and outline, and talks specifically about the role of the auditor. This has been in conjunction with all accounting groups across the province. Part 8 is a very, very clear and definitive section. It does talk about the responsibility. It does provide direction to the auditor. It does provide an indemnification, a protection to the auditor if he goes to the board of directors and talks about errors or misstatements, talks about not arm's-length dealings, for example, or duties or responsibilities of a director. Those kinds of questions are fully spelled out in this section. For the life of me – in comparison with other financial institution legislation, this is the more descriptive I have seen, and certainly it's our intention to act upon the recommendations of the various committees who have looked at the failures of trust companies and to ensure that the audit requirement is there.

11:40

Similarly, Mr. Speaker, we have stepped up and made very clear on the structure of the entities themselves that the committees of the board of directors of a trust company have clear responsibilities. Among those committees would of course be the audit committee. The audit committee will be made up of outsiders – that is to say, members of the board who are not from within the entity, the external directors – and they'll have a very clear responsibility to deal with those items, such things as the audit, the kinds of loans, loan losses, and what the auditors have reported to the board of directors. So we have, in fact, taken the recommendations given to us, rolled them into the legislation, consulted with the accounting groups and the trust companies themselves, and I think we're in very good shape to deal with that aspect of it, the role of the auditors.

Mr. Speaker, I would hope that I have touched in a very broad policy way most of the issues that have been raised by the members. I know I don't have complete notes, and I'm sure that we'll have an opportunity in committee study to have a look at the various other detailed sections that may need some clarification. I'd be prepared at that point to deal with it, but I think that in terms of my own notes here today we have dealt mostly with the questions that have been presented to us.

MR. McEACHERN: How about foreign ownership?

MR. SPEAKER: Thank you, hon. member.

MR. JOHNSTON: So, Mr. Speaker, I would encourage Members of the Legislative Assembly to accept this legislation at second reading, to understand that it's a very up-to-date, dynamic, and contemporary piece of legislation reflecting the most agreed to standards with respect to controlling, regulating, these institutions.

I would move second reading of this Act.

[Motion carried; Bill 29 read a second time]

Bill 32
Special Waste Management Corporation
Amendment Act, 1991

MR. SPEAKER: The Minister of the Environment.

MR. KLEIN: Thank you, Mr. Speaker. Bill 32, an amendment to the Special Waste Management Corporation Act, is basically to update that Act to really reflect what the corporation performs and how it functions today. The amendments basically are to clarify the definition of the Act and through that clarification give the corporation legislative authority to deal with wastes other than hazardous wastes.

[Mr. Jonson in the Chair]

Mr. Speaker, members may note that the corporation has become involved in a number of special programs although it has no legislative authority to become involved in these programs. Some of these programs have been tremendously beneficial to the people of Alberta. One is the toxic roundup program. It's an annual program that in some instances takes place twice a year, whereby citizens of the province are encouraged to search their garages and their medicine chests and so on for wastes that are deemed to be toxic and to take these wastes to transfer stations within their local jurisdictions. That waste is all gathered up, and it's taken to Swan Hills for destruction. Now, this is a program, a service performed by the corporation, but it really has no legislative power to do this.

Another program, Mr. Speaker, is the school chemical waste roundup, which is taking place now or very shortly, I believe, in conjunction with the Alberta Special Waste Management Corporation and the Department of Education. This allows us to go primarily into high schools and secondary schools and clean up these laboratory wastes, take them and destroy them.

Another area in which the corporation is attempting to move and again has no legislative authority to move is in the area of transfer of technology. There is a proposal that has been around for some time to have a subsidiary of the corporation formed, a subsidiary called Entrust. It evolves from a program called the centre of expertise on special waste management. Basically it would be a joint venture, if it ever comes about, between this government – governments, I should say, because the federal government would become involved – and the private sector to take the Swan Hills experience and pull together the technology that has evolved from that experience and basically see if we can sell that technology and get other people interested throughout the world in the kind of advanced technology relative to hazardous waste management that has been established here.

So basically the amendments to the Bill allow these kinds of things to take place, Mr. Speaker.

With respect to some other aspects of the Bill. It's proposed that when the new Alberta environmental protection and enhancement Act is brought forward, certain components of the Hazardous Chemicals Act be transferred to the Alberta Special Waste Management Corporation, and another amendment in this Bill, Mr. Speaker, reflects that happening. There are certain sections that are being amended relative to enforcement and the handling of hazardous waste to better reflect today's require-

ments relative to the safe handling and disposition of hazardous waste.

With those opening comments, Mr. Speaker, I would be glad to listen to what other members of the Assembly might have to say about this particular amendment.

Thank you.

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

MR. McINNIS: Thank you, Mr. Speaker. I'd like to rise to make a few comments about Bill 32, which is intended to set the Special Waste Management Corporation on a new course. I note that one of the early acts of the Minister of the Environment was to appoint a new president of that corporation, and no doubt many of these directions arise from new management, from new ideas that the Minister of the Environment has about the future of this facility.

Unfortunately, the facility itself has a very problematic background, beginning, I think, with the decision of the government to impose on the Special Waste Management Corporation a particular model of ownership and operation which has not served the province very well. I think members will recall that the chairman of the Special Waste Management Corporation, Mr. John Elson, was fired by the then Minister of the Environment over his refusal to go along with the plan to bring in a private-sector operator to run the facility under what has been described by very many people, not just this member, as a sweetheart contract. It's a contract that was signed in 1985 that guarantees the private-sector operator a percentage return – I believe it's prime plus 3 percent – on any investment they have in that facility. It's a contract that gives the operator a guarantee of 10 years' earnings in the event that the taxpayers of the province decide they're tired of being taken for a ride and want to end it: 10 years of future earnings guaranteed under this agreement. Now, it's my understanding that the agreement was up for review in 1989 and was presumably confirmed by the government.

11:50

I really think that before we can proceed honourably with such issues as expansion of the plant and various other elements which are dealt with in this legislation, the air needs to be cleared in our province as to why that decision was made but also a related decision about the type of technology to be employed in the plant. The plant has operated with a rocking kiln designed by a Swiss firm by the name of Von Roll. Now, it's my understanding that a former senior official in the department by the name of Eugene Kupchenko recommended against bringing in this type of technology, this unproven technology, from the Swiss firm of Von Roll. I believe that the reason the Special Waste Management Corporation has not only constructed a new rotating kiln but is proposing to build one which in effect triples the capacity of the plant is because that Von Roll technology never functioned for its intended purpose.

Now, why we wound up in a sweetheart arrangement which can't be broken except on pain of 10 years' lost profits and with technology which has not been able to incinerate solid wastes are questions that I think Albertans would like to have answered. I wonder if the minister would at least begin that process by making public some of the information brought forward to the government by Mr. Kupchenko and consulting firms that were hired by the government at that time when it seems, from what I've been able to gather, that the recommendation was very

much against that particular technology. So that is, I think, a beginning point.

In effect, Bill 32 pursues two directions at the same time. One is that the government is intent on tightening control over the special waste management industry as a collective. I guess they like to call it a system. No one under this legislation may handle special waste, which is very broadly defined in this legislation, without entering into some type of an agreement with the Special Waste Management Corporation. The Special Waste Management Corporation, as I just mentioned, is famous for making agreements, agreements which are generous to private-sector partners but not so much to the taxpayers. So you aren't going to be in the Special Waste Management Corporation unless you have some type of an agreement with them. It's clear from this legislation and from many other things on the record from the minister and others in the government that the government is also pursuing a path of privatization in respect to special waste management facilities, and it all goes back to the firing of Mr. John Elson, who believed that publicly owned facilities, properly designed, would serve the province in this very important area.

This legislation will also facilitate the expansion of the Swan Hills special waste treatment facility, which I mentioned. Unfortunately, Bill 32 is mute on the point of whether Alberta is going to be in the business of importing hazardous waste or not, which is a very crucial issue in terms of designing the special waste management system, as it's referred to. The most recent thing the minister has said on that score was in a speech he made to the Calgary Chamber of Commerce, October 18 last year, in which he said that regionalization – that's the buzzword for importation of hazardous waste – is now off the table. He said that the reason it's off the table is because if the intergovernmental review shows promise, he's committed to full public consultation with Albertans before any decision can be made. There are plenty of places issues can go if they're off the table, and I suggest the place that this issue has gone is under the table, because at this moment the minister has said publicly, I believe on March 14, 1991, that he has sent an official down to Quebec to negotiate the import of the 1,500 tonnes of PCB wastes from St-Basile-le-Grande. There was an agreement in place previously.

I recently received from a colleague correspondence from an official in the office of the Rt. Hon. Joe Clark, in which he refers to:

the challenge with Swan Hills is to work on getting it more business, both from within Canada (waste from other provinces) and internationally.

So presumably the federal Tories are on side with it. The minister is sending people out negotiating. Why is the issue off the table? Why, in the context of an expansion which is so huge that it would either result in even greater losses to the taxpayers than we've suffered to date or the import of hazardous waste, is the issue of importation suddenly off the table when we're dealing with in effect a tripling of the capacity of that particular mill? Well, I think it's only off the table because it's convenient for the government to separate the issues than to deal with them one by each.

What we have in the choices that are before the government and this Assembly right now is a package that involves three things: one is the issue of the import of hazardous waste, the second is the issue of how hazardous waste material is transported to Swan Hills, and the third is the operation of the Swan Hills facility. Now, they put forward only one of those three issues in the package, which is the one about the expansion and

operation on the Swan Hills site. They hold a bunch of meetings, and they find that a lot of people, even though the format of the meetings doesn't allow for questions or even for statements of concern – it's more of a kind of an open house. Somebody told me they went to the meeting in the city of Edmonton where there was a presentation but there were no questions allowed from the audience, no opportunity to state a view. At the end of all of that, the joint venture officials come out and say: well, we don't think the public has any concern about it. Well, how do you know if the public has concerns if you don't allow questions, if you don't put on the table two of the three important issues, the two that I think have the most impact on Albertans, and those are the issue of importation and the issue of transportation?

You know, transportation is one of the major problems with the Swan Hills facility, the problem being that for whatever reason the former Minister of the Environment located the facility at Swan Hills where there is no rail spur, so everything that goes into that plant has to come by truck. When it comes by truck, it travels through the populous regions of the province. I receive letters; for example, I got one not long ago from a resident of Westlock, who wrote to the Minister of the Environment and copied to me. It says:

It is my understanding the Govt. of Alberta are proposing to enlarge the waste treatment plant at Swan Hills and I want you to know that I am very strongly opposed to this enlargement. I do not like the idea of trucks lumbering through our Town carrying PCBs and other hazardous wastes. We should be trying to limit our wastes not providing Albertans let alone other provinces with a good excuse to be able to abuse old technologies.

My district happens to be one that a lot of the truck traffic goes through, and we've had spills a few blocks from where I live. That issue is every bit as important as what happens up at the site.

One of the questions that really should be answered in this legislation and isn't is the question of whether incineration of waste is really the future in terms of how we process this material. There are a lot of people who feel that incineration really turns our skies into a form of landfill, where some of the pollutants are blown up into the atmosphere. Now, I know the minister will tell me about all of the scrubbers they have and the wonderful pollution-control technologies, but if it's so darn good, why is there what I consider to be a fairly alarming increase in PCBs in the bodies of small rodents, voles in particular? There's some monitoring work that was done by the University of Western Ontario. They've done some studies, and they've found, starting in 1989 and up to June of 1990, that the average levels and the number that are over the level of concern in terms of PCBs sampling on voles is increasing very dramatically. So there is at least some evidence that incineration of PCBs such as it's been is causing some contamination in the environment.

Now, I received some communication from a company called Izone International, out of Vancouver, which says:

After numerous years of research and development Izone International Ltd. is proud to announce that the first commercially sized water-based ozone oxidation reduction chamber is complete.

Now, I'm sure most members don't exactly know what an ozone oxidation reduction chamber is, but what I understand it to be is a means of neutralizing toxic and hazardous waste without incineration; that is to say, without blowing certain portions of it into the atmosphere where it's bound to come down and where it's bound to cause pollution. So, you know, I think it's a real question whether incineration is the solution of the future in terms of special wastes or hazardous waste management.

12:00

A question that I think the government should be asking and should also be a part of the review is: should we import wastes from other jurisdictions? The answer of the New Democrats is basically no. I think that in bringing material from the north, which passes through the length of our province and goes to other areas of the country and to the United States, there you can make a case. But you can't go from the case of the Northwest Territories and Yukon, which is a relatively minor portion where you avoid traveling through populous areas of the province, and then generalize that case and say we're going to take from British Columbia, Saskatchewan, and internationally, according to Joe Clark's special assistant. You can't generalize the northern case into the southern case because the problem is that you bring it through the populous areas of the province. You ship it by truck, where it adds to the danger of motor vehicle accident, and it adds to the severity of any type of an accident because there's toxic materials involved, plus the possibility that's always there of an accidental release without a motor vehicle accident. So we say yes to intercepting the material that comes down through the north and passes through the length of the province, but no to the other direction, which is essentially where the problem exists.

The question of the so-called humanitarian acceptance of waste is an important one, because I do recognize that the government of Alberta is unique in having a facility like this in Canada. There are others who have materials, and they're going to be in need of help from time to time, but if we're always there to backstop people when they get into difficulty, why should they ever build their own facilities? Why should they look at alternative technologies and alternative solutions? They won't. So if we're going to look at taking, say, the PCB material from St-Basile-le-Grand, I think there has to be an undertaking by the province that's shipping the material that they're going to set up a facility.

That brings me to the related question of alternative technologies. I understand that the company that makes the Vesta unit is now suing the Special Waste Management Corporation because they feel that the trials that were done there were done improperly, but I think there are other technologies such as the ozone chamber, such as mobile incineration, which we should be looking at as alternatives to creating this absolutely huge, huge facility.

By the way, I think it should be pointed out that Albertans have shown consistently that they are opposed to toxic waste disposal in Alberta. You know, the last numbers I saw were that about 72 percent of Albertans opposed any import of toxic waste from other provinces; over 90 percent opposed bringing in material from the United States. So perhaps that's part of the reason why that issue was off the table. The question is, though, and the question that should be answered before we pass Bill 32 is, why build this huge, monstrous facility, which is destined to lose additional millions of taxpayers' dollars, until we've answered the question of whether we intend to import hazardous waste material in the province and also before we settle on the question of whether incineration is indeed the most appropriate technology for the future.

Another issue that I think is equally important: the practice of the Swan Hills facility of injecting waste from the burn units into abandoned wells. This deep well injection process is used many places throughout the province, and I really hadn't appreciated how much of it goes on. There are some concerns about it, and I think that issue should be subject to a more clearly environmental review. I mean, what happens to

hazardous material that's just dumped down old oil and gas wells? I guess Swan Hills has a lot of those, but I think perhaps the NRCB should be reviewing that practice as well. Or at least if the Energy Resources Conservation Board is going to do it – and I'm not sure why they should, because they're in the business of oil and gas production generation, not in the business of what constitutes a safe disposal method of hazardous wastes. I think that's also an issue that Albertans should be able to state an informed view on, and they should have the opportunity to do that by the Natural Resources Conservation Board.

The minister also stated in Calgary last October that he has directed the department "to review existing regulations and make a recommendation to determine whether more types of special waste should be directed towards Swan Hills." That's a significant development as well. Now, I think that deals primarily with the issue of medical waste, which is an issue that is a live one, to say the very least. Most of the hospital incinerators are being shut down and phased out, and we're looking at a more central means of disposing of that material. Clearly, Bill 32 leaves open the possibility that these medical wastes may be directed not simply to Swan Hills but to other private-sector operators. That's the way I read particularly section 15, but also the wording of section 3(c), which states that the special waste management corporation is

to ensure that, wherever practicable, special waste facilities are established, operated and maintained by operators from the private sector.

Well, if you set up a system where the Special Waste Management Corporation controls who can handle special wastes and who can't and is obliged to use the private sector by legislation, there is a fantastic opportunity for patronage in my opinion. I think new contracts are going to be made for disposal of materials which are not presently directed to Swan Hills. Where they will go is anybody's guess, but we have a regime under Bill 32 which will allow the Special Waste Management Corporation, as I read it, to set up any private company as an agent for the purpose of dealing with hazardous wastes. It goes on to state that the Special Waste Management Corporation can guarantee the debt of any such agent which is carrying out the objects of the corporation. That's under section 11. Those guarantees, of course, are in turn backed by the provincial taxpayers.

So we're into another round of loan guarantees, by the look of things, according to Bill 32. Now, we all know the number of spectacular losses and failures which have taken place recently in the field of loan guarantees. Many times I've heard the minister of economic development state that essentially the government's approach is to sin no more in that area, that they're phasing out loan guarantees, but now we have another minister, the Minister of the Environment, bringing in legislation bringing in a new category of loan guarantees. Now, one of the difficulties that I have, and it's the way this Bill is worded, is that it now appears to be the corporation that issues guarantees. Traditionally, the loan guarantees have only come about as a result of cabinet deliberation, but it seems to me that under this new system the corporation by bylaw, which requires only the approval of the minister, can issue loan guarantees. So we have the ability to set private-sector operators up in a position which may even be a monopoly position, such as the Chem-Security joint venture has, and waste can be directed to those private-sector operators. To top it all off, the taxpayers would even underwrite the loans by way of loan guarantee. To me that's a potential for patronage that I'm not very comfortable with.

12:10

So I have some significant concerns with this legislation. It seems to me that the proposal that is put forward and the

explanation of it, such as it is, is not convincing in terms of why this type of regime needs to be set up, why the government is hiding from public view for the time being the issue of importation of hazardous waste while it proceeds with making sure that those things can happen, that it intends apparently to make a move in the direction of medical wastes and possibly other categories of waste which are going to be steered to private-sector operators, and that the loans for those operators may be guaranteed by the corporation and, in turn, through them to the taxpayers.

For these reasons I suggest the Official Opposition are very likely to oppose this legislation.

MR. ACTING DEPUTY SPEAKER: The Member for Edmonton-Meadowlark.

MR. MITCHELL: Thank you, Mr. Speaker. I would like to begin by saying that in a sense this Bill is sending very mixed messages about the government's intentions for its Swan Hills waste management plant development. On the one hand, I can see where the minister has included in this Bill some initiatives which can be considered to be relatively positive. For example, under the Bill section 9 of the existing Act will now be amended under section 15.2 to give the minister greater powers of enforcement. For that reason I think he can move more quickly in enforcing regulations under this particular Bill, and I think that's a good step. It's less cumbersome to that extent.

It's also true that in expanding the objectives of this Bill, the minister has undertaken to emphasize several positive things. For example, he specifies that the Special Waste Management Corporation will be involved in the exportation of special waste technology and expertise. That's an excellent idea. I'm sure he's thought about that and worked at that, but now it's formalized, and that's excellent. It's also the case that this expansion of objectives includes an emphasis on an educational program role for the Special Waste Management Corporation. As is the case in most environmental issues, education is important for two reasons: one, to sensitize people about environmental issues, and two, to educate them about the possibilities. I think undoubtedly one of the problems in operating the Special Waste Management Corporation is that many people don't know all that much about it and about its possibilities.

However, having said that there are these positive initiatives, I believe that there are some fundamentally disconcerting explicit and perhaps to some extent implicit initiatives in this Bill. I think one of the most disconcerting things is that the government is moving irresistibly towards capturing the worst of both possible worlds with respect to private- and public-sector enterprise. If there is a classic reason for having a Crown corporation, it is to protect the public from the potential problems of a private-sector monopoly, a monopoly without competition to keep it in check. It may well be the case that the economics of this kind of enterprise require that we need to have that enterprise without competition, that we need to have that enterprise a sole enterprise in the province. But at the same time to turn around and hand that to the private sector and to give that private sector the feature of an increasingly greater emphasis and greater freedom is to deny that, is to get the worst of both worlds. Not only are we going to have a monopoly, but we're going to have a monopoly in the private sector.

We see this happening, of course, more and more. This Bill emphasizes that it is the Special Waste Management Corporation that will determine who can store hazardous waste, who can

operate a facility for the collection of hazardous waste, who can treat hazardous waste, or who can dispose of hazardous waste. Basically, nobody else can do hazardous waste in this province other than the Special Waste Management Corporation or who it would determine to be the case. Of course, it's not going to determine some group to do that if it's a problem for the Special Waste Management Corporation.

At the same time, we're giving more and more power to that corporation. This is, I think, a very specific concern with respect to making determinations or guaranteeing indebtedness to any person who acts as an agent for the corporation. Previously, in the Act as it now exists, the Treasurer would play a role in determining who would get and who wouldn't get that kind of guarantee. Now that is solely going to be the mandate under the authority of the Special Waste Management Corporation. Not that the Treasurer, of course, has been particularly good at protecting Albertans' interests in the guaranteeing of loans to private-sector corporations, but now he's not even going to bother to try to do that. This will strictly be decisions made by the Special Waste Management Corporation, which at best is at arm's length from the government. I guess that depends upon how much the government likes what it's doing or isn't doing, because it certainly does intervene, but at best it's at arm's length. So again we're going to get the worst of all possible worlds: we're giving this company more authority to make greater commitments on behalf of the people of Alberta while at the same time reducing its accountability for making any of those commitments. I believe that at the very least we need an explanation of why the Treasurer's role would be modified in this way under section 7 of the Bill.

I'm concerned, Mr. Speaker, that the Bill does not really address the real problem with financing of this special waste corporation. The fact is that in its headlong desire to have private-sector involvement at all costs – and I emphasize "all costs" – this department has structured an agreement which is almost too good to be true for the private-sector corporation which is its partner. Basically, we cover their costs. We pay for the interest on their loans, we guarantee them a return, and as I understand it, we even guarantee to pay them some money to pay the taxes on whatever their return is. It's difficult to comprehend.

Given that this is essentially an operation which should be a Crown corporation, if we ran it as a Crown corporation we would save the people of Alberta a minimum of about 4 and one-half million dollars per year, because of course we wouldn't have to pay for a guaranteed profit to our private-sector partner. That's a serious and significant amount of money. On the other hand, if you want to have a greater private-sector emphasis in the administration of this program, why not simply have a management contract where we pay a fee for management? Why is it that we feel that a private-sector operation must be involved in this process, which is a clear-cut monopoly, in the way that this government has structured the relationship? Not only is this Bill loosening up fiscal control, but it hasn't addressed the real problem of us spending far too much money for this service, more than we need to spend.

It's also true, Mr. Speaker, that this particular Bill does nothing to alleviate concerns about importing dangerous goods, hazardous wastes from elsewhere in the country. It is a fact that the government went a long way, made a very difficult political decision to build the facility in the first place, and they're to be congratulated for that. That's not to say that we should utilize this as some kind of a mechanism for promoting commercial enterprise in this province. That is to say, we don't need to

make a commercial enterprise of the handling of toxic wastes, nor do we do any other jurisdiction in this province, in this country, a favour by saying, "Hey, you go ahead with impunity and create as by-products of your industrial processes any number of toxic wastes, and don't worry about it, because we'll handle them." It's fundamentally wrong. If they make those wastes, they should handle those wastes, because if they don't, they will never, ever have the kind of pressure to begin to reduce the creation of those wastes which they must have.

I believe we should simply not be putting Albertans at risk by importing dangerous goods from other provinces in this country, that that is unacceptable. In certain cases perhaps it might be that you could have reciprocal arrangements, where a very specialized facility could be built in Saskatchewan to deal with a certain kind of waste that we can't deal with. We might do something reciprocal. But to say, "Hey, we're going to open our arms and accept whatever waste you have, because somehow we want to make this commercially viable," is wrong for Albertans, and I believe it's wrong for people elsewhere in this country.

12:20

The question of review of the expansion of the Special Waste Management Corporation is not unrelated to this Bill. I went to the open house that was held by the Special Waste Management Corporation in Edmonton. It was a very pleasant kind of a gathering, Mr. Speaker. There were doughnuts and Danishes and coffee and really nice displays all around the room. [interjection] I didn't eat that stuff. There were officials from the company telling us what a great process it was and how great the expansion . . .

AN HON. MEMBER: Is his picture still up?

MR. MITCHELL: They took his picture, the minister of public works' picture, down I think. I didn't see it. They may have been embarrassed about it, given that it's in Barrhead. They probably didn't get the kinds of advantages that they're getting in a Bill like this unless they promised to put that picture up somewhere, Mr. Speaker, and to accept their picture being taken with the minister handing them however millions of dollars it is that he hands them every year to subsidize their operation.

Mr. Speaker, I went to that open house, and it is a disconcerting process. It's not a process that is open to rigorous review, that allows for rigorous review of that expansion. It's a process which is really public relations, which allows the company to tell the public who happen to appear whatever they want to hear and certainly doesn't allow the company to be cross-examined in the kind of forum that would allow for accountability and allow for the pursuit of the facts and nuances involved that the public should know about in an expansion of that nature. So I'm not particularly impressed with the open house process, and I would like to know when the NRCB review will be announced officially, when the public hearings at the NRCB will be undertaken, and at what point the minister will allow us to see these details.

Mr. Speaker, I should say, as another positive in this Bill, that we're interested to see that the minister is going to increase fines for offences under this Act. That's excellent; he's to be congratulated for that. I would also like to raise the issue of section 4, which talks about the corporation having to coordinate its policies and programs with those of the government. The obvious question which isn't answered in this Act is: what happens if they don't, if they decide to do other things?

So, Mr. Speaker, on balance, this is not a Bill that we would feel comfortable in supporting unless certain questions, critical

questions, are answered. Can he say definitely that we're not importing? Can he answer why it is that the Treasurer is being removed from the process of guaranteeing indebtedness to third-party agents operating on behalf of the corporation? Can he tell us why it is that we would be spending at least 4 and a half million dollars a year more in managing that facility, because we're guaranteeing a profit to the private-sector partner, than we would necessarily otherwise have to do? Can he tell us why it is that when a Crown corporation should be called for, in a case where you have a pure monopoly, he's trying to hand that monopoly to a private-sector company bit by bit, inexorably? He's going to get the worst of both worlds with respect to monopolies and private-sector enterprise.

Mr. Speaker, those are my questions and my comments.

MR. ACTING DEPUTY SPEAKER: The Member for Vegreville.

MR. FOX: Thank you, Mr. Speaker. I appreciate the comments made by the members for Edmonton-Jasper Place and Edmonton-Meadowlark in respect to the principle of this Bill and hope the minister takes to heart their concerns about the kinds of changes to the operation of the Special Waste Management Corporation that are being proposed in this Bill.

My specific concern – and I'd appreciate some response from the minister on this – involves the network of hazardous waste facilities in the province that is developing and will develop as a result of the desire and concerted effort on the part of Albertans and their government to handle hazardous materials in as safe and responsible a way as possible. The minister and I both had the opportunity to participate in the sod-turning ceremonies of a special waste or hazardous waste handling facility just outside the village of Ryley; I guess technically within the boundaries of the village of Ryley. That's a matter for some discussion, apparently. Anyway, this facility was proposed to be built by the Newalta Corporation operating out of Calgary. I had a chance to go down and meet the president of that corporation, had a good meeting with him. I can say that my perception is that that company made a concerted effort to develop an open and honest relationship with the people in and around the village of Ryley in an effort to explain clearly what they were hoping to accomplish, why they needed the facility, and what it would involve and mean for the people in the village of Ryley. I think trust was built up, and they envision this plant as being an intermediate step, I guess, in the handling and treatment of hazardous wastes linked with the larger plant in Swan Hills.

[Mr. Moore in the Chair]

One of the things we have to be aware of when involving private-sector ownership and management in situations like this is that that is subject to change. You know, one company can buy another; one company can go broke. These sorts of permutations and changes are a fact of life in the business community. When it happens in an area that is as sensitive and vital as the handling of hazardous wastes, I think it's something that we need to think about in terms of drafting regulations and laws. The Newalta Corporation made a good deal, I guess, with Laidlaw and was purchased by Laidlaw. I gather that involves the Ryley facility, perhaps the Fort Saskatchewan facility; I'm not sure of the terms and conditions of the deal. Anyway, the plant in Ryley – and it's almost complete; construction has proceeded very well, and lots of work has been done there –

owned one day by Newalta was owned the next by Laidlaw. Now, I'm not aware of any problems that are associated with that in a specific way, but I just think we need to be aware of the changing situation in the business community and that it's incumbent on us as legislators to make sure that we have regulations in place that are reliable enough and that are enforced with sufficient vigour to give people the kind of confidence they need when living close to or being involved with the handling of something that is as sensitive and of as much concern to Albertans as hazardous waste.

12:30

I'd appreciate hearing some of the minister's comments about how he envisions the integrity of the system being protected, and indeed the health and safety of Albertans being protected, through the regulations that he has or will be putting in place with respect to the handling and transport of hazardous wastes so that we can make sure that plants like the one in Ryley do what we want them to do. I mean, there's certainly a desire in that community to be involved in a very positive way with the solution to a serious problem that we have in Alberta – that is, the generation and subsequent need to transport, handle, and dispose of hazardous waste – and as well the feeling in the community about the economic opportunity afforded them by the construction of this facility. So I would appreciate hearing the minister's comments, especially with regards to the concern that people right across this province have about the potential import of hazardous waste or the access that hazardous waste generated outside our borders may have to facilities that are built or proposed within the province of Alberta.

MR. ACTING DEPUTY SPEAKER: Edmonton-Gold Bar.

MRS. HEWES: Thanks, Mr. Speaker. I, too, am concerned about the network of facilities and transportation, particularly as it's related to medical, biomedical waste. The minister for public works did speak to this briefly last night and answered some questions, but I'd just like to get it on the record and perhaps this minister will as well. I'm speaking here not just about hospital wastes but public health and medi clinics, veterinary clinics, dental clinics, and so on.

As we know, the task force has made a report and there are funds in the budget this year to deal with some of the recommendations, but we recognize that these kinds of wastes are in some cases dealt with by public institutions, private institutions, as well as private commercial operations. I'd like the minister perhaps to comment on the relationship of this corporation to that type of disposal, whether or not through sections 3 and 4 they would be responsible either on-site or off-site for the collection and disposal of these types of wastes.

The other part of the question, Mr. Speaker, is related to transportation. Does the corporation have a responsibility in the case of medical wastes to guarantee and ensure that they are safely transported throughout the province and to the nearest facility? I'd be interested in hearing the minister's comments on how we're going to control that aspect.

Thanks, Mr. Speaker.

MR. ACTING DEPUTY SPEAKER: Hon. minister.

MR. KLEIN: Thank you, Mr. Speaker. I appreciate some of the comments that have been brought forward. I consider some of them to be valid and some of them to be nothing more than red herrings, especially the implication that this expansion . . .

Although it's not referred to in the amendments to the legislation, certainly there is an environmental impact assessment now under way relative to that expansion. The inference that this expansion is solely to accommodate the importation of waste is absolute nonsense. If people take the time to attend the public consultation sessions that are now taking place, where indeed they can ask questions, they will find that there's a sufficient backlog of contaminants contained in solids that have to be destroyed. The only way we can destroy these wastes, all wastes generated within the province of Alberta, is to revise the technology at the Swan Hills plant.

[Mr. Jonson in the Chair]

We have admitted in the past, Mr. Speaker, that there was an underestimation of the kinds of wastes that we would have to destroy. It was originally thought that there were far more liquid wastes than we actually had in the province, and therefore there was an underestimation. What we are doing now is making a very critical adjustment for the amount of wastes that are now stored throughout the province or are located throughout the province contained in solids. That's what the expansion is for.

If you want to talk about the whole issue of the importation of waste, I'm glad to hear that the hon. Member for Edmonton-Jasper Place at least now admits that it makes some sense to intercept the waste that comes from the Northwest Territories and have it destroyed at the Swan Hills plant. I think that makes a lot of sense, but we won't even be pursuing that, Mr. Speaker, until we've had full consultation with the people of Alberta and, indeed, until this government makes some kind of determination as to whether we're even going to consider at all the importation of hazardous waste even from the Northwest Territories and Yukon Territory.

MR. FOX: There's no such word as "importation." It's "import."

MR. KLEIN: What did I say?

MR. FOX: Importation.

MR. NELSON: Don't listen to him, Ralph. Just ignore him.

MR. ACTING DEPUTY SPEAKER: Order please.

MR. KLEIN: Mr. Speaker, there was . . .

MR. MAIN: Let's just have the question.

MR. KLEIN: Yes, I'm going to wrap this up.

Basically, the essence of this amendment, Mr. Speaker, is to, as I say, more clearly reflect the mandate, at least the implied mandate, of the corporation and legislate what the corporation has been undertaking but really didn't have the legislative powers to do. I mentioned the Toxic Roundup, and I mentioned the exportation of special waste management technology and expertise, and also there is this whole question of special waste as opposed to hazardous waste. What this amendment does is really limit the corporation to the handling of hazardous waste as opposed to special waste. Indeed, it allows companies like Laidlaw, formerly Newalta, in Ryley to operate freely in the handling of special wastes: wastes that needs special treatment but are not deemed to be hazardous. We have an inventory of

some 60 or 70 wastes that are deemed to be hazardous. This applies also to biomedical waste. Biomedical waste is nasty waste. It's not nice stuff to deal with, but in many, many cases it is not deemed to be hazardous; it is not deemed to be poisonous. It probably in most cases would not cause a tremendous illness or death, but hazardous waste will, and it has to be dealt with in a very special way. That's why we have the Swan Hills facility, to look after these 60 or 70 identified hazardous wastes.

What we're saying in this legislation is, "Let's make this quite clear; we're in the business of transporting." Transporting. 'Transporting': that's almost like "importation," right?

Indeed, the corporation wants to involve itself with the safe transportation and the proper destruction of hazardous waste. We want to leave a message that there is a field and an opportunity for municipalities throughout this to become involved with special waste, whether it's biomedical wastes, whether it's tires, whether it's oil field waste, and indeed, that's what is happening. These amendments really are to better reflect . . .

Well, there is a word "importation," by the way. It's right here in the dictionary. Do you want me to spell it for you? I-m-p-o-r-t-a-t-i-o-n: the importing of goods, being imported, import. Right? So I'll go back to . . .

MR. FOX: What's your source?

MR. KLEIN: The *Oxford Dictionary*.

MR. FOX: I don't like it.

MR. MAIN: Good work, Ralph; you get to go to the bonus round.

12:40

MR. KLEIN: Right.

Basically, these amendments, Mr. Speaker, are to better reflect the operating realities of the Alberta Special Waste Management Corporation; to more clearly define its role in the management, the transportation, and the destruction of hazardous waste; and to allow it to enter into areas that are not now accommodated either in the public sector or the private sector, such as the toxic waste roundup, the development of special waste management technology and expertise, and programs such as the high school chemical lab roundup and so on.

With those few remarks, Mr. Speaker, I would like to close debate.

[Motion carried; Bill 32 read a second time]

Bill 33

Landlord and Tenant Amendment Act, 1991

MR. ANDERSON: Mr. Speaker, I'm pleased to move second reading of Bill 33, the Landlord and Tenant Amendment Act, 1991.

This is a very important Bill for Albertans. Almost 40 percent of the people of this province live in rented accommodation. Calgary and Edmonton: a greater percentage in both of those cities choose to live in that way. This Bill is designed to bring up to date our legislation and to ensure that there is fairness and equity between the tenant and the landlord in this very important relationship that exists in our province for the citizens who live in accommodation in this way.

Mr. Speaker, the Bill itself and the principle of the Bill have been discussed for some time now in trying to bring together all

of the thoughts and the needs of the people of Alberta before having it in place for this Assembly to consider. The MacLachlan committee, the committee on residential tenancies, was established back in 1989, and it consisted of the chairman, two tenants from different parts of the province, two landlords from different parts of the province. It was charged with reviewing legislation throughout the country with Alberta's particular circumstance and the needs of our citizens in mind. That committee did hold public meetings across the province. It researched in some considerable depth both through survey and in person the various possibilities and the difficulties that existed in our marketplace and gave a report to myself last year in March, which I tabled in this Assembly.

Following that, we sent the summary of the report out to all of those individuals and organizations who had expressed interest in the topic and requested from them further input on the some 57 recommendations which the committee on residential tenancies had made. After compiling those, holding further meetings, we have now presented to the House this particular Bill.

I could, Mr. Speaker, go through quickly for you some of the main elements of the Act, which, as I say once more, is designed to make sure there is a balance, a fairness, an equity between a person who must live in an accommodation, must have that as their home base, and the other individual or company involved who has placed dollars on the line to have an investment which will help facilitate those needs in the community.

Mr. Speaker, the Bill does change quite fundamentally the relationship between landlord and tenant in that it requires that the landlord now give a reason when giving notice to a tenant to vacate. There is a list of some reasons now in the Bill, such as willful damage or nonpayment of rent. There are other reasons which the Bill suggests be set out in regulation. We do that rather than again detailing them one by one in this particular Act because in surveying other provinces that have similar suggestions in this regard or similar legislation, it's been found that there is a need for some flexibility to make sure that loopholes are filled when we find specific instances where the law has been contravened or where there are questions with respect to it. The recommendation in this Bill is that those reasons be laid out: yes, some that are currently in the Bill but others, as I've circulated for discussion in regulation, that we can adapt from time to time to meet the needs that are there.

I don't believe that this particular provision puts a terrible onus on the landowners, who do indeed have a right to their property and a right to deal with their investment in such a way as to maximize their own personal circumstance. Living in dwellings in Alberta is a fundamental part of life. Many of our citizens will always rent, and I believe those individuals have a right to know, if they are asked to leave accommodation, why that is in fact taking place.

Mr. Speaker, in the Bill we've limited the number of rent increases that can take place to two a year, one every six months. In our current legislation a landlord can raise rents every month throughout the year as long as they give three months' notice. This will restrict that. We accepted the MacLachlan committee recommendation that rent review and rent control were not appropriate. Their analysis nationwide was that where those mechanisms had been put in place, tenants suffered in the long run because the amount of accommodation available in a community was curtailed and you in fact had rents increasing to a greater degree further down the road in order to have accommodation built to supply the needs of the people of that given area.

We do, however, think that tenants have at least the right to know some time in advance when that increase takes place, and we're leaving that three-month clause there. They should not be faced with increases any more than twice a year at most so that they have time both to seek alternative accommodation if the price is too high or to adapt their economic circumstances to meet that increase that has been required by the landowner.

The Act has been expanded to deal with roomers and boarders who are in accommodation where the landlord does not live and individuals in other long-term accommodation facilities, such as in a hotel for longer than a six-month period. Some of our citizens do find their home in those usually temporary premises, and they should be afforded the same rights under the Act as other citizens in the province.

We are by passing this Act, should the Assembly choose to do so, requiring that landlords restrict their entry to a tenant's premises to periods from 8 in the morning to 8 at night and with no entry on Sundays or holidays unless, of course, there is an emergency or a mutual agreement. The individual renting accommodation has a right to privacy and should know that they won't be interrupted during set periods of time unless the necessity is absolutely there.

We have required for the first time that security deposits be placed in trust accounts. Security deposits are renters' dollars, and while to date landlords have used those dollars as part of their cash flow, it is, we believe, necessary to safeguard those individual dollars so that if a landlord goes out of business or in some way has financial difficulty, those renters' dollars are still in fact there in a security deposit.

We have increased penalties under the Act. Those haven't been increased for some years, and we think it's appropriate to make maximum penalties of \$5,000 per count as opposed to the \$1,000 that currently exists in the Act.

12:50

The landlord's consent will now be required before a tenant can sublet or sign a lease. That has been the usual practice, but it has not been in legislation, and clearly a landlord has a right to know who is going to be in that accommodation and to make sure that they are in keeping with the rules and regulations that have been put in place for that particular building and for the other residents who are in it.

We are also in this Bill suggesting that the landlord should have the ability to remove within a very short period of time a tenant who is willfully causing significant damage or who is physically abusing another tenant; 48 hours is what the Bill stipulates. It would take 14 days under the current Act for a landlord to do that, and that, we believe, is a necessary part both of ensuring that the other tenants who may be in a building are safeguarded and also that landlords can safeguard their own premises.

We have improved the mechanism for dealing with abandoned goods, where a tenant may leave and may just leave property there. At the current time the landlord has to hold it for a long period of time and then has difficulty getting rid of it to pay for rent that might be due or damage that might have been caused. There will still be restrictions on that, and they will still be strict enough to protect the individual's rights, but the number of days that a landlord will have to keep the abandoned goods will be reduced, and the amount of dollars that he could have from the sale of those goods to cover, if that should be the case, back rent or other problems will be increased.

We are now making it an offence, Mr. Speaker, to evict a tenant for making a complaint under this Act or the Public

Health Act or others. It has been indeed in the Act that one could make a complaint and shouldn't be evicted for that purpose, but there's been no penalty. Now the penalty of a maximum of \$5,000 will apply to dissuade any landlord who might want to work in that way. That in fact is something they will be penalized for if that should take place.

We hope, Mr. Speaker, to improve one of the great problems that we see right now in our market situation, and that is the constant complaints with respect to what constitutes wear and tear, when a premise is damaged and when it is not damaged. That's never an easy question to resolve, but our review of legislation determined that there are really two main mechanisms we could assist with in that regard. One is to tighten up our definition of wear and tear of premises, which we are doing in the Act itself. The second is to require pre- and postinspection reports so that both the landlord and the tenant sign that report and know what it is that has to be fixed or that has been damaged or in what condition those premises are in. We believe that it's quite important that individual landlords do in fact have an opportunity to clearly recover losses that are not of their making but that tenants as well are not charged for those difficulties which are normal wear and tear or which are not their responsibility. Again, fairness and balance is intended in this particular piece of legislation, and I believe that has been achieved by some very great amount of work in this particular area.

I would like to thank those individuals who have been involved over the past two years in drafting this Act, in giving us advice and input. We are still receiving that before third reading takes place. I announced on May 2, when the Bill was introduced in this Assembly, that we would not bring it to Committee of the Whole at least for a month, until people had had a chance to review it and give us their input. Some people have taken that opportunity. I might say that to date the response overall to the Bill has been positive. I hope it will be the same in the Assembly, and I look forward to any debate that members might have on the Bill and to passage of it in second reading and then discussion in detail during Committee of the Whole.

MR. ACTING DEPUTY SPEAKER: The Member for Edmonton-Strathcona.

MR. CHIVERS: Thank you, Mr. Speaker. I'd like to begin by thanking the Minister of Consumer and Corporate Affairs for his thoughtful comments. This piece of legislation does indeed address several of the areas of serious concern to tenants in Alberta and does represent some significant improvements in those areas. However, it addresses only a very few of the recommendations made by the MacLachlan committee, and what is most interesting is the areas that the legislation omits from its regulation of the relations between landlords and tenants. The failure of the legislation to address a great many of the recommendations is a matter of great concern to tenants.

At this point, Mr. Speaker, would it be in order to move to adjourn debate?

MR. ACTING DEPUTY SPEAKER: It's certainly in order.

MR. CHIVERS: Thank you.

MR. ACTING DEPUTY SPEAKER: Thank you, hon. member.

Having heard the motion to adjourn debate, all those in favour, please say aye.

HON. MEMBERS: Aye.

MR. ACTING DEPUTY SPEAKER: Those opposed, say no.
It's carried.

[At 12:57 p.m., pursuant to Government Motion 17, the
Assembly adjourned to Monday, June 3, at 2:30 p.m.]