

Legislative Assembly of Alberta

Title: **Tuesday, November 26, 2002**

8:00 p.m.

Date: 02/11/26

[The Deputy Speaker in the chair]

THE DEPUTY SPEAKER: Please be seated.

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

Bill 32

Climate Change and Emissions Management Act

[Adjourned debate November 26: Mr. Magnus]

THE DEPUTY SPEAKER: The hon. Member for Calgary-North Hill.

MR. MAGNUS: Thank you, Mr. Speaker. I am grateful tonight for the opportunity to address Bill 32, the Kyoto question. First, allow me to place my personal opinion on the record simply and clearly. I believe the Kyoto protocol in Canada and around the world is an expensive, counterproductive waste of time, money, and political energy that could be better spent looking for solutions to human problems that are effective, realistic, and positive.

I know the heavy pendulum of scientific opinion is swinging slowly but surely against the Kyoto protocol. More and more scientists are publicly stating that countries like Canada do not produce enough CO₂ to impact the global climate and more and more concluding that cutting CO₂ will not measurably impact global climate change. More and more they're recognizing that the global climate change that is occurring now is likely little more than a natural, inevitable, historic fluctuation. Frankly, it is remarkable that it has taken so long for the scientific community to take sides on this issue and for the side of careful, sober review of the facts to emerge as a real voice in this issue, because, Mr. Speaker, even the United Nations has admitted for some time that the full implementation of the Kyoto accord will only reduce global warming at most by two-tenths of one degree by the end of this century and at the cost of retarding world economic growth.

If we slow global warming by two-tenths of one degree, Mr. Speaker, we may save a few lives around the world, but if we slow human development, if we slow the expansion of health care, if we slow the advancement of education, and if we slow the advancement of technology, then the human cost will be vastly higher than any theoretical cost from a marginal increase in global warming.

To briefly review what we know about global warming, while evidence suggests that the earth has warmed between .3 and .6 degrees Celsius since 1850, global satellite data, the most reliable of climate measurements, show little evidence of warming during the past 20 or so years. Even if the earth's temperature has increased slightly, the increase is well within the natural range of known temperature variations over the last 15,000 years. Indeed, the earth experienced greater warming between the 10th and the 15th centuries, a time when vineyards thrived in England, Vikings colonized Greenland and built settlements in Canada.

A Gallup poll found that only 17 percent of the members of the U.S. Meteorological Society and the American Geophysical Society think that the warming of the 20th century has been the result of greenhouse gas emissions, principally CO₂ from burning fossil fuels, and only 13 percent of scientists responding to a survey conducted by Greenpeace believe that catastrophic climate change will result from current patterns of energy use. While atmospheric carbon

dioxide has increased by 28 percent over the past 150 years, human-generated carbon dioxide could have played only a small part in any warming since most of the warming occurred prior to 1940, before most cars could cause carbon dioxide emissions. The vast bulk of greenhouse gas is water vapour. Only a small percentage, 3 percent to 5 percent, is human-produced CO₂.

Robert Essenhigh, the E.G. Bailey professor of energy conservation in the Ohio State department of mechanical engineering, suggests that the world is simply at the peak of a natural warming point, which has resulted in more water vapour and hence more CO₂.

Indeed, Mr. Speaker, it seems that science is winning out over rhetoric. Despite that, the federal government is determined to push ahead with the ratification of the Kyoto accord, and I think at some point we have to ask ourselves: why are they so determined? This debate is less about science and global warming and more about securing the future of a Prime Minister who is about to retire. This is not a scientific debate. If it were, the federal government would be commissioning scientists instead of pollsters to help craft this legislation or, in fact, to determine its necessity. This is not an environmental debate. If it were, the federal government would be looking into the real causes of pollution like soot and other contaminants that we can see, feel, taste, and that contribute to smog and health problems. This is not about engaging Canadians in a genuine effort to make an international environmental difference. If it were, the federal government would be prolonging debate, consultation, cross-country panels, reports, and royal commissions. Instead, they're shutting the door on debate. The federal government is well aware that as the pendulum of scientific opinion swings further and further against Kyoto, the pendulum of public opinion will likewise shift. It is absolutely remarkable that there is a direct correlation among Canadians between their knowledge of the science of global warming and the Kyoto accord and their opposition to Kyoto.

When the federal government of the day, a Conservative government, I might add, made a commitment to pass a free trade deal with the United States, they embarked on a massive, long-term campaign to seek expert opinion, to consult and to educate Canadians, to take the discussion to every community in the country. They knew that the more Canadians knew about free trade, the more they would in fact support it.

The opposite is occurring today. The federal government knows that it must rush this deal through and they have to impose it on Canadians. They know that if there's any chance of keeping public opinion onside, they must hide the details of the accord, obscure the costs, and avoid at all cost the publication of a plan for enforcement of the terms of this accord. Despite the absence of scientific evidence, despite the absence of support from provinces, despite the potential detriment to an already lagging economy, the government is plowing ahead at breakneck speed. It's accusing its opponents of being antienvironment, attacking the motives of its opponents, like Alberta, rather than making a case for the effectiveness of Kyoto and laying out a plan for implementation.

Why is Ottawa hiding the facts, delaying the plan, downplaying the costs, and steamrolling over its opponents? Simple. This is the Liberal government that's brought us NEP, gun control, thrown our farmers in jail for giving away their grain, and not to mention, Y2K. Having utterly failed at creating a domestic legacy during a decade in office, the Prime Minister will do whatever it takes to carve out an international legacy so that he can strut on international stages and accept rounds of applause for being green.

In Canada there's a word that applies in both official languages, and it is simply: poseur. Having done little in his time as Prime Minister to earn his stripes as an environmentalist, with one quick vote in Ottawa he just might be able to pull the wool over the eyes

of the international community. That's why the most interesting part of this Kyoto debate lately has not been about the science, the costs, the effect on industry, jobs, or our standard of living but on whether or not Paul Martin will take a position on the accord. The media understands that this isn't really a debate about the environment. It's a partisan ploy by a government and a Prime Minister that are old, tired, out of ideas, and out of gas, who need something that they can call an achievement.

It doesn't matter that the passage of Kyoto could come at the cost of hundreds of thousands of jobs across this country. It doesn't matter that Kyoto could result in a massive relocation of industry out of Canada to the U.S. and the developing world, and it doesn't matter that the Kyoto debate could fray even further the already fragile bonds of this federation that we call Canada. What matters is a perceived legacy for one man, and I have to say that this is a sad, cynical state of affairs, Mr. Speaker.

Let's imagine what could have been. Imagine that the federal government, instead of grabbing onto the flawed protocol called Kyoto, had come to Canadians, to the provinces, to industry, to unions, and to small business and said: let's work together to come up with a plan that grows our economy, helps spur development and higher standards of living internationally, cuts pollution, and makes the world a safer, healthier, and greener place. I'm willing to bet that there's not a single Canadian who would have been unwilling to consider that challenge.

8:10

In fact, the government of Alberta took that challenge upon itself and helped craft a made-in-Canada, made-in-Alberta solution to pollution, CO₂ emissions, and continued growth. We did because we believe there is a way to balance environmental protection with growth. This government believes that government can work together with industry, workers, and Canadians committed to the protection of the environment. This is not a zero-sum game. I think that if the federal government had simply come to Canadians and asked, "What will you do to cut pollution and still grow the economy?" there would have been 31 million takers to that challenge. I know that Albertans are up to that challenge because Albertans rise to challenges. We harness our collective entrepreneurial spirit to create solutions, to build, to progress, and to advance.

That's not the challenge that the federal government has put before us. Instead, they've put a hostile challenge to us. They have told us to get in line. They have told us that our opposition doesn't matter and that our plan won't be considered, that our jobs, our growth, and our future are less important than securing a place in international history for one retiring Prime Minister. Just as Albertans rise to positive challenges by building positive solutions, we are equally determined in our resistance to threats, to intimidation, and to ultimatums. Faced with this threat, this bullying challenge from the federal government, Albertans have to stand together and quietly, firmly, and resoundingly say no: no, Mr. Prime Minister, and no to Kyoto. Kyoto is not the solution. If the federal government insists on trying to impose this flawed deal, this killer of growth, this failure of environmental science, then Albertans will have to prepare themselves to go nose to nose with the federal government again. We've been there, we've done that, and we've bought the T-shirt.

After we win that wrestling match of common sense and provincial self-determination, then we'll get back to the drawing board and be leaders. We'll work with the other provinces, with industry, and with scientists and lead the environmental movement beyond ideology to a real made-in-Canada, made-in-Alberta solution. We'll make sure, Mr. Speaker, that our children benefit, we'll make sure

that the world benefits, and when we do, the real legacy of success will belong to Albertans.

Thank you, Mr. Speaker.

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

MR. MacDONALD: Yes. Mr. Speaker, I'm wondering if at this time the member would accept a question or two?

MR. MAGNUS: I believe that's now the course of events.

THE DEPUTY SPEAKER: Actually, there is a five-minute period. So it isn't a matter of whether he will accept them; it's how he'll answer them. I think that's the question. So go ahead. If you wish to ask a question, then please do.

MR. MacDONALD: Thank you. The hon. member was talking about bullying, that there was bullying going on, in his mind, from the federal government. Could the hon. member please explain how he would describe the firing of Dr. Swann if that wasn't a bullying tactic by this government?

MR. MAGNUS: Mr. Speaker, while the question from the hon. member of the opposition really has nothing whatsoever to do with this discussion, I'm kind of surprised to hear him do it, because he has got some degree of common sense in most of his questions. However, I'll put the same question to this hon. member that I put to the leader of the third party earlier today, and that is: if you put a hundred people in this room and had them all light a cigarette and you asked two of them to put it out, at the end of the day would it make any difference to your air quality? That's what we're being asked to look at. We have no concept whatsoever beyond. We're going to ratify this before Christmas from the federal government. How are we going to ratify? How are we actually going to implement what they want to do? That's my question back.

THE DEPUTY SPEAKER: I don't know that there's anything in the provisions of Standing Order 29(2) for the person who has just given a speech and received one or more questions to then ask a question back. It becomes, then, just rhetorical.

So do you have another question?

MR. MacDONALD: Yes, Mr. Speaker. I have another question for the hon. member, and it is this: in what year did the Progressive Conservative government in Ottawa first discuss having an accord similar to the Kyoto accord?

AN HON. MEMBER: This isn't Trivial Pursuit.

MR. MAGNUS: Well, as one of my colleagues has pointed out, this is not Trivial Pursuit, and frankly I don't know exactly the year that they came in with this, but I believe back in the early '90s. Did you say "Conservative government?" I'm sorry. I missed that part.

MR. MacDONALD: The Progressive Conservative government. That's right.

MR. MAGNUS: Nineteen-ninety.

THE DEPUTY SPEAKER: Okay. Are there any further questions, or are you rising to speak?

MR. MacDONALD: I'm rising to speak, please, Mr. Speaker.

THE DEPUTY SPEAKER: There being no further questions, the hon. Member for Edmonton-Gold Bar.

MR. MacDONALD: Thank you very much. It's a pleasure to participate in the debate on Bill 32. Now, it certainly is an issue that is causing a lot of discussion not only in this province and not only in this country but around the world. It seems that the closer people are to sea level, the more concerned they seem to be about global warming. We look at the industrial nation of Japan, and they do not seem to have any problem with recognizing global warming and the fact that something has to be done to correct it.

Now, I for one am certainly not a scientist, but I accept the validity of the argument from many, many scientists that carbon dioxide emissions and the increase in emissions are certainly having an effect on the earth. It's increasing the temperature, and we have to do something about it. That's why I believe that Kyoto is an important first step towards a clean energy future.

Climate change is perhaps the most serious risk to our environment, and we all have a responsibility to take action today. At the risk of sounding Edwardian, with wealth comes duty and responsibility. This province has created a great deal of wealth as a result of the natural resources that lie under it. We are participants in the global economy, and we have to recognize that we are members of the global village. With our wealth comes duty and responsibility, and we have to show leadership by starting to lead the way in reducing greenhouse gas emissions on this planet.

On the way down here I was listening to a debate, ironically enough, on CBC Radio. Now, CBC Radio had a very balanced program. They heard both sides of the argument. One person stated that we have to start now, and the other person stated, "Oh, no, it's not a problem. We can put this off." But when we consider the search for better air quality and lower emissions, this search should be fueled by our desire to pass on a better, cleaner world for the next generation. I agree with and I endorse government policy which recognizes that enormous public debt should not be passed on to the next generation. However, we cannot pass on to the next generation an environmental debt, and that's exactly what we're doing whenever we've got our heads in the sand about Kyoto. A clean energy future is in everyone's long-term interests.

How can we talk about having drought relief for farmers? How can we talk about having an increase in budgets because of extreme fire seasons and not think to ourselves that perhaps this is being determined by global warming when we can spend millions and millions of dollars on those programs and at the same time say, "Oh, we can't ratify Kyoto because it's going to hurt us economically"? Our climate, our province is changing, and we can't be anti-Canadian and pro-pollution, and that's what I'm afraid is happening here.

8:20

We can meet our Kyoto targets. Alberta can meet its Kyoto targets while still supporting sustainable economic growth. We need programs, we need policies, we need regulations aimed at reducing overall energy use, and we need to reduce energy use at work and at home. Boosting energy efficiency not only reduces greenhouse gas emissions but lowers the cost of energy, and it makes our industry and it makes our province and it makes the country more competitive internationally.

Now, there are many good things happening in this province, but for the hon. members across the way they want to know how we are going to do this. Well, the Premier whenever he was Environment minister had lots of good ideas on this.

DR. TAFT: Who did?

MR. MacDONALD: The Premier whenever he was Environment minister.

Now, the Premier has a lot to say about global warming and that the science is sound.

AN HON. MEMBER: Which Premier are we talking about?

MR. MacDONALD: The Premier of Alberta.

MR. BONNER: The present Premier?

MR. MacDONALD: The present Premier of Alberta talked about greenhouse gases and how they were to be reduced.

Now, at the same time the Premier – it's almost like it was a past life, as if he was to say: that was then, and this is now. But when you look at the initiatives that the Environment minister in this province between 1989 and 1992 initiated, the Premier was on the leading edge of the debate on changing environmental plans so that greenhouse gases could be reduced and we could stop this period of global warming. Here's what the Premier had to say.

The way we do that is to go throughout the province, get as much solid evidence as we possibly can, develop a program, develop a position, and put it in place what is right for Alberta and what is right for Canada.

Now, that's the hon. Premier.

The hon. Premier goes on to say in June of 1991 again, Mr. Speaker:

This province needs to do [more] to make a reasonable contribution to the reduction of those gases that contribute to not only the greenhouse effect, global warming, but depletion of ozone. In addition to that, there are national protocols that we have entered into relative to a decrease in automobile emissions by 50 percent by the year 1995.

Fifty percent by the year 1995.

We have entered into protocols relative to the decrease in packaging and waste by 50 percent by the year 2000.

So the Premier was very anxious to reduce greenhouse gas emissions and see that Alberta was a leader internationally in regard to this. I don't know what has happened since. I don't know how the Premier has forgotten those words and those policies and those initiatives. Certainly now whenever this government makes the argument that they have a made-in-Canada or a made-in-Alberta solution, how can you rely on their word whenever you look at what was said between 1989 and 1992? How can you believe them now after these statements and "we're going to do a lot of good work"? I have to conclude that nothing has been done. Nothing has been followed through, Mr. Speaker, unfortunately. Absolutely nothing. That saddens me, and it distresses me.

Now, the Premier goes on to say again from *Hansard*: it's called a clean air strategy for the province of Alberta, and we'll be looking at carbon dioxide; we'll be looking at sulphur dioxide; we'll be looking at volatile organic compounds. It's unfortunate that we didn't start then finding a way to address this.

The government, in my view, has been negligent, but industry has not. Industry has quietly been working. Between 1988 and the end of 2000 Syncrude Canada cut CO₂ emissions per barrel of oil produced by 27 percent. Suncor did likewise. Now, Husky Energy in Lloydminster at a coal generation project at its site was successful in reducing greenhouse gas emissions by 168,000 tonnes per year. Petro-Canada, according to their latest annual report, have through continuing improvements in energy efficiency reduced greenhouse gas emissions. Since 1990 Petro-Canada has eliminated over 1.3

million tonnes of annual ongoing greenhouse gas emissions. In 2000 total gas emission levels were over 8 percent below 1990 levels despite a 34 percent growth in overall production. It can be done. It is being done. When you look at Alstasteel here in Edmonton, since 1991 it has recorded an overall improvement in specific energy consumption of 8 percent. We look at the development of CASA, the clean air strategic alliance, and what they have done.

Now, light industry is certainly where we could stand to improve. Foothills Creamery retrofitted its Edmonton warehouse in 1998. The company replaced its existing fixtures with lamps and reflectors that use PCB-free single electronic ballasts. Drawing only 58 watts, the new fixtures save 67 percent on the electricity use by each light. The company's \$20,000 investment in the retrofit has led to better lighting, reduced labour costs, and realized significant savings in electricity usage.

It is interesting to note that consumers and businesses often choose not to purchase highly cost-effective energy technology. The new electronic ballast installed by Foothills Creamery was clearly superior to the system it replaced. Electronic ballasts for lighting have been commercially available since 1976. They are a well-tested technology. However, it is interesting to note, Mr. Speaker, that by 1987 five American states, including New York and California, had prohibited the sale of standard ballasts, and I'm wondering if it's anything that this province has considered. We just resort to finger pointing and fear mongering instead of developing ways to be more energy efficient.

Now, there are many experts who have had the temerity to question the numbers used in this government's latest multimillion dollar propaganda campaign, and I would imagine there will be another one on health care, but we'll probably have to wait till next winter for that. Our hon. Premier was forced to admit that the numbers may have been less than factual and based on worst case scenarios. I think that rather than fighting Kyoto, like this province is doing, we must start investing now in technology and energy efficiency. The Alberta companies I mentioned earlier are doing something. Meanwhile, the provincial government has had no clear plan, with the exception of what was outlined by the Minister of Environment between the years 1989 and 1992.

Our future and that of our children and grandchildren includes a major global reduction in greenhouse gas emissions, so we must be prepared to deal with the new reality. With political will, government support, and private-sector innovation, Alberta could be a world leader in developing alternative energy technologies, like wind, solar, and biomass power generation. I see the time when the hon. Member for Calgary-North Hill is on the way to Banff, perhaps to ski, and the city that he proudly represents will be a place where the electricity is coming from the Morley flats, from farm after farm after farm of wind turbines.

The Germans: 12 percent of their power comes from wind turbines. But this is the new Alberta. This is what's going to happen after the carbon age. There will be routine sight-seeing adventures out the left-hand side of your car as you're going to Banff, and that's what you're going to see: row after row after row of wind turbines. Hopefully, they're not going to be imported from Denmark, but they're going to be imported from New Norway in Alberta. It will be a locally developed industry that will be part of the value-added manufacturing in this province.

I'm sorry that we only have 15 minutes.

8:30

THE DEPUTY SPEAKER: Hon. member, you weren't sitting down in light of some of these comments that were flowing back and forth; were you?

MR. MacDONALD: No, Mr. Speaker. I thought I heard the bell ring.

THE DEPUTY SPEAKER: Okay. That would be it; would it? Good.

So now for questions I have Grande Prairie-Smoky and then Edmonton-Rutherford.

MR. McCLELLAND: Questions and comments?

THE DEPUTY SPEAKER: Yes.

MR. McCLELLAND: The Member for Edmonton-Gold Bar, if I'm correct, mentioned that the Husky upgrader in Lloydminster had reduced emissions by 100,000 tonnes or something of that nature, however many it was. Is the member aware of the fact that the province of Alberta at one time had a very substantial investment in that, probably at the time that the work was done to lower the emissions?

MR. MacDONALD: Mr. Speaker, the hon. member is incorrect in that this was an industrial initiative that was a partnership with TransAlta as a cogeneration partner on that site. Since the development by the federal government and the provincial government of the Husky biprovincial upgrader, there has been a cogeneration plant situated there, and that is the reason, with improved engineering technologies, that greenhouse gas emissions have been substantially reduced. That amount, those 168,000 tonnes per year, is enough to meet that facility's annual reduction according to the Kyoto protocol.

THE DEPUTY SPEAKER: The hon. Member for Calgary-North Hill, followed by Spruce Grove-Sturgeon-St. Albert and then Wainwright.

MR. MAGNUS: Thank you, Mr. Speaker. The Member for Edmonton-Gold Bar asked me a question that, frankly, didn't have anything to do with the issue before us today, so I thought I'd repay the favour. The question for him is this: what year did the Conservative government of Canada bring in free trade? It makes just about as much sense as yours.

MR. MacDONALD: The Progressive Conservative government certainly introduced free trade, but in 1990 they also were very instrumental in bringing forward the first environmental package in this country. The federal Progressive Conservatives were forward thinkers. They were certainly invited and participated actively, as I understand it, in the Rio convention. Other hon. members of the government, I understand, go to Rio but not for environmental conferences. The Progressive Conservative government went there. They saw the Prime Minister himself of the time, Mr. Mulroney, I believe. He went to Rio and said: yes, there is a need to reduce greenhouse gas emissions. Your federal Progressive Conservative cousins are much more proactive on this issue than you are, hon. member.

THE DEPUTY SPEAKER: The next one is the hon. Member for Spruce Grove-Sturgeon-St. Albert.

MR. HORNER: Thank you, Mr. Speaker. I was intrigued by the hon. Member for Edmonton-Gold Bar's statements with regard to the Husky upgrader and the emissions that they achieved. I'm wondering if he attributes that to Kyoto. Did they have some inside knowledge many years ago that the federal government was going

to ratify this thing at some certain point, or would you say that that was more of a market-driven type of an arrangement that the market came up with on their own?

MR. MacDONALD: In reply to the hon. Member for Spruce Grove-Sturgeon-St. Albert, Mr. Speaker, I would have to say that every forward-thinking corporation that is doing business in this province has known for the last decade that the Kyoto protocol and the idea of reducing greenhouse gas emissions is a reality, and they're dealing with it as an economic reality. There is not a corporation that is investing in the tar sands that doesn't go before the EUB with the reality that a substantial reduction in greenhouse gas emissions is part of their business plan.

THE DEPUTY SPEAKER: Not to echo the comments, but one of the things when you turn around and address other people is that you stop your microphone, so it becomes increasingly hard to hear.

The hon. Member for Wainwright.

MR. GRIFFITHS: Thank you, Mr. Speaker. The hon. Member for Edmonton-Gold Bar indicated that the drought on the prairies this year and the forest fires on the prairies this year were caused by global warming and climate change from CO₂ emissions. I'm wondering if the hon. member could answer where the drought from the 1930s, which was before most of the man-made emissions were introduced into the atmosphere, and the drought that was declared on the prairies 150 years ago, when it was first being discovered, came from and where the CO₂ emissions from that came from.

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

MR. MacDONALD: Yes. Mr. Speaker, in regard to that question from the hon. Member for Wainwright . . .

THE DEPUTY SPEAKER: One of the unfortunate limitations is that you can't extend the five minutes.

The Minister of Innovation and Science is next on the list for speaking.

MR. DOERKSEN: Well, thank you, Mr. Speaker. You have certainly, as is customary at second reading of a bill, permitted a wide-ranging debate. As a matter of fact, we are in second reading on Bill 32, and it's to that bill that I actually want to direct my comments this evening and to let the Assembly know some of the reasons why I support what is in this bill and why it is important to Albertans to support the bill.

Clearly, in the preamble what we are setting out is that the government of Alberta by its constitutional authority has the ownership of natural resources and the rights to manage the exploration, development, production of those resources for its own benefit. Further, we go on to assert the fact that we are also asserting our ownership position in the sinks. These are important considerations.

You'll also notice in the preamble to Bill 32 a number of statements which address the innovation and research agenda that we think is important with respect to Alberta's approach to climate change and one that we would hope could lead to a made-in-Canada solution, which unfortunately doesn't seem to be transpiring at the moment. The preamble sets out quite clearly that Alberta is already "recognized around the world for leading-edge innovation in environmentally sustainable technologies." It notes that we're committed to workable solutions to reduce emissions of carbon

dioxide and specified gases and to work together with industries and research providers in developing new and innovative approaches to successfully address the climate change challenge. We also note, again in the preamble, that it recognizes that "carbon dioxide and methane are natural resources" and "are inextricably linked with the management of other renewable and non-renewable natural resources, including sinks."

Mr. Speaker, what I want to talk a little bit about tonight is what we are doing already and some of the goals that we have with respect to innovation and technology in this province. These objectives have been set through the good work of the Alberta Energy Research Institute, which is capably co-chaired by the Member for Bonnyville-Cold Lake. We very much appreciate the work that they have done on behalf of all Albertans in setting forth the objectives that we want to reach with respect to innovation and research.

8:40

Mr. Speaker, I want to talk about one of their five key strategies right off and then move to the other ones. One of their strategies is – and we've heard a lot of discussion in the Assembly about this already tonight – alternative energy development, and in fact there is a desire to develop renewable energy related to hydrogen, fuel cells, bioenergy, solar and wind power. Nobody will dispute the fact that those are important elements, but it is equally important and, I would say, more important to recognize that there are many other things that we can currently do with fossil fuels. Here's where I'm going to give the federal government a little bit of credit because actually in their release they do talk about cleaner fossil fuels. That actually relates to some of the initiatives that we have been told by the Alberta Energy Research Institute to pursue. In fact, one of our goals is the goal of clean coal, and I will argue that clean coal technology, clean power, is green power. So it's not all just about the development of alternative replies. We have a vast resource in this province in our coal beds that we need to frankly find the technology to make use of. It's an important element of our research strategy.

Mr. Speaker, the government of Canada also in their Cleaner Fossil Fuels section talks about CO₂ capture and storage, and that fits right in with what the Alberta Energy Research Institute plan says as well. It's one of the goals in terms of carbon dioxide management, and there are a number of initiatives already under way with respect to CO₂ management. The Weyburn project has been mentioned in this House previously, and again it's referred to in the government of Canada submission. So they have recognized the fact that promoting technology, enhancing technology in the fossil fuel area is important.

Mr. Speaker, so far I've covered the alternative energy development in the plan. I've talked a little bit about the carbon dioxide management that is under the AERI plan, clean coal technology, using technology to develop our resources there. There are two other ones that we have been discussing. One has to do with increasing oil recovery. The use of carbon dioxide, or CO₂, into the geological structure where you find the oil is actually useful in enhancing and recovering a greater percentage of that resource, so we are doing research in that area.

The fifth element that we've talked about is also sustaining the oil sands development. Mr. Speaker, we announced some time ago a new recovery method known as vapex. Now, I'm not going to suggest that I understand how this technology works, but I understand that it will reduce or has the potential to reduce the CO₂ emissions by up to 85 percent in the heavy-oil extraction. AERI's contribution is 7 and a half million dollars, partnered with industry and other partners for a total project of \$30 million.

Mr. Speaker, we are already investing money, have invested money over a large number of years to improve our technology. I think that what's important to me as we debate this subject is that we would not want, through actions of the federal government, to penalize a jurisdiction that has the technology, that has the expertise, that has the ability to discover, innovate, and deliver global solutions, because I frankly think that we have the expertise in this province.

In fact, Mr. Speaker, if you just go through some of the expertise areas that we have in the province, at the University of Calgary, for instance, they have expertise in biofuels, geomatics, informatics. They have expertise in the regulatory and economic policy in geophysics. At the University of Alberta, located in Edmonton here, they have expertise in clean coal, oil sands extraction and processing, carbon dioxide management, hydrogen production. At the University of Lethbridge they have expertise in water research, which also relates to this whole area. The Alberta Research Council . . .

AN HON. MEMBER: Hello?

MR. DOERKSEN: I'm coming. The fortunate part is that in *Hansard* you don't notice the pauses in the comments.

The Alberta Research Council, as I was saying, Mr. Speaker, has expertise development in clean energy, in greenhouse gases, in oil sands, in enhanced oil recovery.

Mr. Speaker, the point I'm trying to make tonight is the fact that we have the capability, we have the talent spread throughout not only our universities, our research institutes, industry itself. I believe that we can provide global solutions, and we will pursue that.

I also want to refer to one thing that I am concerned about, quite concerned about, with the federal government approach. They do talk in their recent document about cost-sharing strategic investments. Let me tell you what I think that lingo means from the federal government. When we established the National Institute for Nanotechnology here at the University of Alberta, it was the first national research institute that Alberta had. Every other province had had a national research centre or institute, and the federal government funded those institutes, those centres 100 percent, but when it came to Alberta to establish a national research centre, suddenly they said: oh, in your case, Alberta, we want you to match our funds. So, Mr. Speaker, this is where I have the concern with this cost-shared strategic investment. I can just imagine the federal government using taxpayer money that comes from Alberta, to give it back to Alberta and then saying: match what you've already sent us. It's like asking us to match our own dollars, so I do have concerns about that.

Mr. Speaker, we are going to and will continue to improve our technology. We'll work on the innovation front. We have a commitment to that. It is a big part of our plan. Our commitment to it is outlined in Bill 32. You can even see in the sectoral agreements under section 4 that we talk about looking at the implementation of technological changes, co-operation on technology development, demonstration, and deployment, on and on in the bill. You'll see even in section 9, where we talk about the climate change and emissions management fund, that we're going to target demonstration projects that use new technologies "in the discovery, recovery, processing, transportation" of Alberta's energy resources; in the "demonstration and use of new technologies that emphasize reductions in specified gas emissions"; in the "demonstration and use of specified gas capture, use and storage technology"; in the "development of opportunities for removal of specified gases from the atmosphere through sequestration by sinks."

Mr. Speaker, quite clearly, from Bill 32 the government of Alberta is committed to innovation, is committed to technological change, and frankly with the expertise in this province we will lead the country and, dare I say, we will lead the world in coming up with solutions.

With those comments, Mr. Speaker, I want to say that I am in support of the principle of Bill 32, what we are debating now, so that we can move forward and assert Alberta's critical position in the debate that is now going on in this country.

8:50

THE DEPUTY SPEAKER: Questions and answers. The hon. Member for Edmonton-Gold Bar.

MR. MacDONALD: Yes. Thank you very much, Mr. Speaker. I have a couple of questions for the hon. minister of science and technology, the hon. Member for Red Deer-South. The first is: the hon. minister mentioned Weyburn in his remarks in regard to carbon sequestration, and I'm wondering if the hon. member could please enlighten this member and other members in the House regarding the cost of the capture and compression of that CO₂ gas from the Dakotas. I don't know whether it's from North or South Dakota. Could the minister please tell us how much that costs per tonne?

MR. DOERKSEN: Mr. Speaker, what carbon management really talks about is capturing CO₂ emitted from certain activity, such as the coal- and gas-fired plants, and using this CO₂ and ultimately storing it in the ground. That's what the Weyburn project is all about. The Weyburn project, as I understand it currently, is \$25 million of research over four years to evaluate and monitor the long-term reliability of CO₂ in geological formations. I also understand that as the CO₂ enters those formations, it, in fact, through some scientific procedure that I can't describe, actually allows the flow of oil outside to be able to flow and to recover a greater percentage than we're normally able to recover. So it actually has two benefits. One is that it stores the CO₂ in the formations, and secondly, it helps us enhance the recovery of the oil in the ground. So it looks like a double win to me.

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

MR. MacDONALD: Yes. Again to the hon. minister of science and technology. That's in Weyburn, Saskatchewan. Perhaps we'll move to Alberta here. The hon. minister mentioned the Canadian Energy Research Institute in his remarks. Could the hon. minister please tell me how much is estimated as the cost of CO₂ sequestration in this province? How much would that cost?

MR. DOERKSEN: Mr. Speaker, I don't know if I have the specific numbers for that particular question, but let me point out to the member some other things that we are doing with respect to what's called the SAGD technology. It's the steam-assisted gravity drainage technology developed between 1986 and 1998 between the government of Alberta and industry partners, and it allows for a more economic and environmentally friendly method for recovering bitumen from oil sands deposits not practical for surface mining. So there's another process that research has led us to. I've already mentioned the vapex method. Through AERI, the Alberta Energy Research Institute, and the Alberta Research Council, some of our research-granting agencies, we're currently investing upwards of \$24 million per year, as we speak, into energy and energy-related research projects. Clearly our commitment is there.

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

MR. MacDONALD: Thank you, Mr. Speaker. Again to the same minister: how much research has been conducted in this province on capturing and compressing blue-gas emissions from coal-fired generating stations and piping it to, as you say, empty oil or gas fields, and what is the cost of the capturing and compressing of that CO₂ gas per tonne? What sort of research have you done on this so far?

MR. DOERKSEN: Well, clearly, Mr. Speaker, I don't have access to all the specific data that the hon. member is requesting tonight, and I invite him to send me a memo and ask those specific questions, and I'll find out the information for him that we can deliver to him. I know that the hon. Member for Bonnyville-Cold Lake, who's with the Alberta Energy Research Institute, is vitally interested in this topic too, and although he is not permitted to answer the question, I know that he probably has more answers than I do.

Mr. Speaker, the point that I've been trying to make all evening is the importance of research and innovation, and I think that objective is shared by the members of the opposition.

THE DEPUTY SPEAKER: Again I share with you the frustration of this deadline of five minutes on the mark.

The next speaker is the hon. Member for Edmonton-Riverview.

DR. TAFT: Thank you, Mr. Speaker. It's my privilege to rise to speak to this bill tonight. This is an issue that's going to be with us as legislators and as human beings for the rest of our lives, I have no doubt.

We've covered a lot of territory. It's clear to me that we're not going to connect across the floor very well tonight. We've taken different perspectives on this issue based, I presume, on different values, but I for one want to get my position and my values on the record, and as time passes, I'm confident that that position will be justified.

I suppose that coming to a decision on this kind of a bill is a personal process for all of us. I know it has been for me, and it's been one that's grown over many years. I'm a lifelong Albertan, and I remember, for example, visiting the glaciers, visiting Athabasca Glacier at Saskatchewan River Crossing or visiting the glacier at Mount Edith Cavell and hiking into these locations and finding the markers on a trail showing where the glacier was in 1950, in 1960, in 1970, in 1980, and so on, and being startled at how dramatically the glaciers in Alberta have shrunk over the last 50 years. As an aside, I recently heard an account of the snowcap on Mount Kilimanjaro and how that snowcap has been there for tens of thousands of years. Within 15 years it will be gone. Things are changing.

I also reflect on my own experience with my family, my children and my father-in-law going fishing 10 years ago and pulling jackfish out of a lake one after the other and now listening to debates in this Assembly, realizing that to a very substantial extent the fish stocks in lakes across this province have collapsed. Again something is changing in this province.

This May I drove east and then south to Dinosaur park. Late May should be the greenest and lushest time of the year in this province. Instead, the dugouts were dry to the bottom; the fields were barren and dusty. On the drive back I stopped at a relative's farm, and he was hoping to begin seeding. We went for a drive around the farm, and I noticed the trails of white on the trails through the fields. He told me about how the alkali is destroying the soil on this prime

central Alberta farm. He talked about how the land is changing and how the climate is changing, and he wasn't sure what was causing it, but clearly something was different.

I talked to hunters this fall, one who went to a large body of water, a lake south of Stettler, only to discover that the lake didn't exist anymore and to another who headed northeast in September, driving with his wife. His wife looked ahead and said: is that a snowstorm we're seeing? In fact, as they got closer, they realized it was alkali blowing in the wind.

We've seen in the news for months and months and months, indeed in some parts of this province now for four or five years, the cost of drought, the burden of drought. Just the other day we voted here in this Assembly on a supplemental estimates bill to spend an additional \$650 million on drought relief, on forest fire fighting, and on flood control in southern Alberta, all of which are extreme weather events, all of which fit exactly – exactly – with the scenarios that the climate scientists are warning us about and exactly the kinds of warnings that are consistent with climate change.

Those kinds of personal messages, personal experiences speak strongly to me, and I think they should speak strongly to all of us. Something very fundamental is changing in our province and, indeed, in our world.

9:00

Earlier today the Premier referred to Bob Mills, the MP from Red Deer, who was at that point in his seventh hour of a filibuster in Ottawa, denouncing, as I understood it, or opposing the Kyoto accord. Earlier in the fall I actually obtained correspondence from Bob Mills and sat down with the climate scientists and went through the correspondence for it addressed his concerns with Kyoto. It was very clear to me after talking to the scientists that, in fact, this particular MP has the issue quite wrong. In fact, the science on this issue, despite some of the comments we're hearing tonight, is very clear, and it has been growing since the 1960s. The science on this issue tells us that in the last 50 years the climate is warming dramatically, and in the last 50 years the primary contributor to carbon dioxide and other greenhouse gases in the atmosphere is human activity.

I'd like to draw the attention of every member of this House to a paper prepared by the Department of Energy in 1990, a full 12 years ago. Even then this government, this government here, was accepting the need for action to reduce greenhouse gases. I'll just quote a couple of lines from this study. "There is growing concern that the increasing atmospheric concentration of greenhouse gases may be leading to global warming." This government was saying that 12 years ago. It went on to say, "Carbon dioxide is estimated to contribute about 49 per cent of the greenhouse effect." This very government was saying that 12 years ago. The science has become substantially clearer since then, and the science is, I believe, irrefutable. Human activity, fossil fuel burning, is contributing substantially to climate change.

We can also deal with the economics, and that seems to be the primary concern – sometimes it feels like the sole concern – of this government. The economics of adapting to climate change is an issue that this government has tried to raise great alarm over. In actual fact, if we go to the government's own document again – and I would encourage every MLA here to study this document, detailed analysis that took five person-years of work and was based on thousands of energy audits. What does it conclude in terms of the economics of adapting to climate change? Well, it does say that it will be costly. It makes no bones about it. The capital cost of adapting to climate change would be in 1990 the equivalent of a total of \$6.7 billion.

But what would be the benefits? Well, the result: first-year savings of \$2.2 billion and a further \$2.2 billion every year thereafter. The average payback of the investment would be 3.1 years, a 30 percent return on investment, an amazing economic achievement. I see the Minister of Revenue is here. I'm sure he wishes the heritage fund had that sort of return on investment.

We should also note, Mr. Speaker, that a number of the world's largest energy companies have accepted the science and the economics of the Kyoto accord, and I can name two or three. Suncor, BP, and Shell, for example, have all accepted the science of Kyoto and have all benefited as a result.

Too little time in this Assembly, I feel, is spent on addressing the costs, the costs of global warming, the costs of climate change, not the costs of addressing the issues but the costs of doing too little or nothing. What are the costs to forestry? Our caucus met a few days ago with the Alberta Forest Products Association, and they were driving home their profound concerns over drought and fire in the forestry industry in this province.

What about the agriculture industry? How many farmers are on the brink of collapse because of drought? When independent climate scientists warn me, backed up with very extensive analysis, that there is a genuine threat that Alberta will be simply the northern edge of a great central desert by the middle of this century, I pay attention and I worry about the future of our farmers.

What about the health costs of climate change? They are profound. We have seen, for example, as I raised in this Assembly the other day, the spread of diseases, diseases that were never known in Canada before but diseases that are beginning to be carried here because of the warmer climate, diseases like the West Nile virus, potentially even malaria. Mr. Speaker, I think those are important issues that we need to be dwelling on more in this government and in this Assembly.

As to dealing with a handful of specific issues, we are told time and time again: "Gosh, China and India aren't doing anything. Why should we?" Well, if we follow the whole process addressing the issue of climate change, we can go back 40 years. The first concerns were raised over the possibilities of global warming in the 1960s. By 1988 there was a major international conference in Toronto called the Changing Atmosphere Conference. In the early '90s there was the largest international conference in history at Rio, which led directly to the '97 Kyoto accord. The next round in this process will in fact bring many developing countries into the global change protocol, countries like China and India. We should not kid ourselves by believing or imagining that Kyoto is the end of the line. It isn't. The next step will bring in those countries that today are left out.

Now, as for the bill itself, I'll address a handful of issues here. Under the preamble the bill says that "the Government of Alberta has a deep and well established commitment to protect Alberta's environment." I won't debate that, but I will ask the question: how does this particular bill protect Alberta's environment when it lets emissions rise without limits? The bill also says that "the Government of Alberta owns natural resources in Alberta" and that "carbon dioxide and methane are natural resources." Well, if we go back to the throne speech of 1992 and quote the Premier, he said among other things: "My government recognizes that air, soil, and water do not respect provincial or national boundaries." That is going to be a profound legal problem for this government. I don't think this bill has a snowball's chance on the top of Mount Kilimanjaro of surviving a court challenge. Of course, we could go on and on in that account.

As for the issue, "Well, Canada only produces 2 or 3 percent of the globe's carbon dioxide, so why should we bother?"—I'm startled

with the irresponsibility of that attitude. How many of us here feel that's the way it should be with litterers? If I go down the street and, recognizing that I'm only one of 800,000 people in Edmonton, I litter and I don't care because it's only 1/800,000th of the problem, what sort of approach to a society is that? That is no way to build a society. That is no way for each of us as individuals to carry our burdens. We can't simply divide this problem into 50 little pieces of 2 percent and imagine it will go away. It will not. Our farmers, our foresters, people throughout this province will know that we have failed them.

Mr. Speaker, I've come to believe that climate change is the issue of our time, and as I said at the beginning, there is no avoiding it. It will be with all of us until long after we are dead. But I did like the comments of the Minister of Innovation and Science a few minutes ago, who said that we have the talent in Alberta to respond, that we have the talent to rise to this challenge. It seems to me that we must be confident in our ability to innovate and our ability to rise to the challenge. I would say to all of us here today: we must embrace change, we must accept our responsibility as stewards of our world, and we should get on with the business of adapting to climate change.

Thank you.

9:10

THE DEPUTY SPEAKER: Questions and answers. The hon. Member for Spruce Grove-Sturgeon-St. Albert.

MR. HORNER: Thank you, Mr. Speaker. I listened with interest to the member's statements and his very good speech on his views as to what he sees is happening in Alberta and across the country and, really, around the world, and I felt myself thinking: I am a Member of the Legislative Assembly of Alberta; I'm here to balance the environment and the interests of Alberta. When I look at Kyoto and I look at Bill 32, I say: Bill 32 is going to accomplish that; Kyoto is going to kill it. I'm wondering if the member is standing in favour of what his federal Liberal cousins are doing over what I see as a responsibility to protect Alberta's interests and do it right.

DR. TAFT: Mr. Speaker, I've made it clear here over and over that I feel that the time for questions and answers is in committee, not in second reading, so I don't respond to questions.

Thank you.

MR. GRIFFITHS: Mr. Speaker, this member has afforded me the opportunity, since he brought up the same topics as the other member did, to ask the same question. The member also indicated that our drought this year across the prairies, our forest fires across the prairies, the spread of disease throughout the world, I think he was claiming, were all caused by global warming, climate change, et cetera, from CO₂. I'm wondering if the Member for Edmonton-Riverview would comment about the drought in the '30s, which occurred before most of the CO₂ emissions were emitted by humankind, about the drought that was written about on the prairies 150 years ago, about diseases like the black plague, which killed one-third of Europe. Where did the CO₂ emissions come from that caused all of those events?

DR. TAFT: Mr. Speaker, I've made it clear that I will respond to that question when it's in committee. Thank you.

THE DEPUTY SPEAKER: The hon. Member for Edmonton-Rutherford.

MR. McCLELLAND: On debate?

THE DEPUTY SPEAKER: Question and answer. If there are no other questions or comments, then the debate. Yes, you are next.

MR. McCLELLAND: On debate? No one else is standing.

THE DEPUTY SPEAKER: If there are no further ones, yes, on the debate.

MR. McCLELLAND: Well, thank you, Mr. Speaker. It's important to speak to this debate because it is so important to Albertans and to Canadians but particularly to Albertans and particularly to Albertans who lived through the national energy program and don't want to see a repeat of it.

We're debating the bill of the Alberta government, but underlying that is the rationale of why we're here in the first place discussing this. In my opinion, we need to ask: will the Kyoto accord legislation achieve its stated objective? The stated objective is to save the planet by reducing carbon dioxide emissions, thereby slowing or stopping global warming. My contention, Mr. Speaker, is that the stated objective of the Kyoto accord is not really its real purpose, because it's a very inefficient manner of achieving its stated purpose.

I'd like to lay out what I think is the foundation for the Kyoto accord. If it had been presented by the federal government, in my opinion, honestly and straightforwardly, I don't think that Canadians, particularly Albertans, would have objected as much, and I think it would have been possible to achieve a made-in-Canada approach. Of course, in the federal government's document Climate Change Plan for Canada on page 9, Key Principles: "It must be a made-in-Canada approach that is based on collaboration, partnerships and respect for jurisdictions." I don't think that there was much chance of that.

If I may, I'm going to quote from Maurice Strong and his statement at a hearing of the United States Senate Committee on the Environment and Public Works and the Committee on Foreign Relations on July 24, 2002. Now, Maurice Strong, as members know, was the chairman of the Earth Summit. He's a Canadian. He's world-renowned for his interest in environmental concerns and in Third World poverty. To quote from this paper:

Thanks largely to the leadership of the United States the world community has made impressive progress in its understanding of environment issues and their inextricable relationship with the economic development processes to which they give since the first global conference on the human environment convened by the United Nations in Stockholm in 1972 put the environmental issue on the international agenda.

He goes on to say, and I'm excerpting from this.

At the United Nations Conference on the Human Environment held in Stockholm in 1972, the first global intergovernmental environmental conference, we lost our innocence. We recognized that much of what we had been doing in pursuit of our economic goals had, however inadvertently, been producing environmental damage and social dichotomies . . .

The Declaration and Plan of Action agreed following intense negotiations at Stockholm recognized in a number of important respects the need to create a positive synthesis between the environment and economic development.

He goes on to say:

Despite progress on many fronts, the environmental health of the earth which was first diagnosed at Stockholm has deteriorated overall since then while the forces driving it persist – increased population, primarily concentrated in developing countries, and even greater growth of the world economy. The benefits have been largely concentrated in industrialized countries, even as newly

developing countries, notably China, are now accounting for an increasingly large share of the global economy . . .

One of the most disappointing trends since the Earth Summit in 1992 has been the lack of response by OECD countries to the needs of developing countries for the additional financial resources which all governments at Rio agreed were required to enable them to make their transition to a sustainable development pathway and to implement international agreements.

So this is Maurice Strong testifying to the U.S. Senate, trying to get them to change their mind and go to the Johannesburg conference last year, in which our Prime Minister put us on this course. He did so because the United States Senate by a vote of 95 to 0 had declined to ratify the Kyoto accord for two reasons: one, because it had no requirement of developing countries for any commitment; two, because to ratify an accord such as that without any idea of the cost of implementation was considered to be folly, even though up until that time the United States was the driving force behind the whole notion of the Rio Summit. Without the Rio Summit, without the United States' active participation, the strongest, largest economy in the world, it wasn't going to happen.

So, then, why did the United States back off? Well, I think that there is a clue to be found in information from a paper entitled *Global Taxes for Global Priorities* by James A. Paul and Katarina Wahlberg. James Paul is a very accomplished environmentalist and humanitarian who has an extensive background in humanitarian and Third World works. This paper was published by the Global Policy Forum, WEED, and the Heinrich Boll Foundation. Now, the Heinrich Boll Foundation, interestingly, which is associated with the Green Party of Germany is "a legally autonomous and intellectually open political foundation." They are "a federally organized national foundation with 16 state foundations in all parts of Germany." So the Heinrich Boll Foundation, which is the cornerstone of the Global Policy Forum, is associated with the German Green Party. The German Green Party, as members know, has tremendous influence in Germany, and Germany has tremendous influence on the European Union.

9:20

Let me read some selections from this paper entitled *Global Taxes for Global Priorities*, presented in New York, May 5, by the Global Policy Forum and the Heinrich Boll Foundation.

Many crises threaten the globalizing world, including international financial instability, growing worldwide poverty, global warming, and epidemic diseases that know no boundaries. Solutions require intense international cooperation and stronger global institutions. Progress will especially demand large new financial resources tens of billions of dollars to finance global public health, take steps towards environmental sustainability, and build programs to insure education and livelihoods for all.

Unprecedented wealth and productive capacity are available today, more than ever before in human history. Since 1950, gross world product has multiplied seven times and product per capita nearly three times, both in real terms. Yet the global economy organizes a vastly unequal division of the world's resources, promoting private consumption and accumulation over public well-being. Development aid funds have declined, urgent global projects have stalled for lack of money and worthy international organizations like the UN have fallen prey to budget caps and assessment shortfalls.

Bold and innovative steps are urgently needed to tap the world's wealth. Global taxes offer the most promising approach. International projects and organizations cannot depend solely on contributions from nation states, much less rely on private charity or business "partnerships." They must develop independent revenue sources to fund public purposes at the global level.

This is why I say: I don't think that the federal government has come

clean and been honest with us. Had they come clean and been honest with us, we wouldn't be going down the Kyoto accord road, but we may be making decisions to help the world and the world's poor.

Taxes amounting to just 1% of world GDP would raise over \$400 billion per year. Such a sum would meet many urgent needs while placing a very modest burden on the world's richest consumers.

Advocates have offered dozens of proposals for global taxes, but two have gained special attention: a tax on the carbon content of commercial fuels (often called a Carbon Tax) . . .

And make no mistake; this is a carbon tax.

. . . as a means to stop global warming, and a currency transaction tax (often referred to as a Tobin Tax), to reduce speculation and global economic instability.

Now, keep in mind that I'm reading from this paper presented at the Global Taxes for Global Priorities forum held May 5, 2001.

Some day, an international political authority will levy global taxes, but at present a robust authority of this kind, with sufficient accountability and enforcement powers, does not exist. So initially, national governments must levy such taxes as part of an international tax agreement. Part of the funds levied will go towards global purposes, while part will be kept in the national treasury. Transition towards truly global taxation will await strengthened and democratized global institutions, sometime in the future, but today we must make a start along the road.

That was the introduction to this paper. I see that I have about five minutes to conclude. Therefore, I'm going to have to skip a few pages of this, which I'm sure is going to make most of the people here very happy except, of course, the Liberals and New Democrats, who think this is probably nirvana. Perhaps not, and I shouldn't speculate on that.

Now, this paper makes the point that

emissions trading is a seriously flawed concept, that gives advantages to the biggest polluter countries and the big energy companies.

At best it will have only a limited capacity to reduce worldwide greenhouse gas emissions.

"Worldwide", because it will simply shift the emissions somewhere else.

A carbon tax is a fairer, more efficient policy tool that would speed progress towards Kyoto and Rio goals.

Now, I'm going to switch over to the part that we all dread because we knew it was coming: Assembling Political Blocs and Advocacy Campaigns.

As global taxes come closer to political reality, advocates must begin to think about assembling political blocs or coalitions to press forward towards enactment. We already can see the outlines of such coalitions.

Now, pay attention, because I think that members will see exactly what has taken place over the last five years.

In the case of the carbon tax, the coalition includes environmental groups, small island states and other coastal nations threatened by rising ocean levels, advocates of the UN and global institutions, intellectuals, sustainable energy industries, and insurance companies. This forms already a very substantial alliance. The CTT has managed to attract broad publics with a concern about globalization and the ills of the global financial system. The CTT also appeals to trade unions, countries negatively affected by currency speculation, economists, UN advocates, and others . . .

As the process moves forward, we will see the earliest steps in a new global political process. Global citizenship will at last take form, not as a dream or ideal, but as a real process involving common political tasks across national borders, to create a common future . . .

Though the global tax movement has made great gains, its future is still not assured. We need bold leadership and an imaginative strategy to bring global taxes – and the better world they promise – finally to reality.

Now, the author of this is a man by the name of James A. Paul, the

executive director of Global Policy Forum, and Katarina Wahlberg, a graduate student in political science at Stockholm University. Now, whether one agrees with what these people, well-meaning that they may be, are advocating or not, it doesn't change the fact that the Kyoto accord, which led to the bill that we're debating today and the situation that we have within our country, is really not the real issue. It is not about carbon taxes. It's about wealth transfer, and let's be honest about it.

THE DEPUTY SPEAKER: Questions? Comments? If not, the hon. Member for Edmonton-Glengarry.

MR. BONNER: Thank you very much, Mr. Speaker. It gives me a great deal of pleasure this evening to rise and speak to Bill 32, the Climate Change and Emissions Management Act, and certainly to make some comments that need to be said.

For more time than man has been on this earth, the earth has been heated through the day by the sun and cooled off at night, and the insulating effect that we have had is the earth's atmosphere. We all know that if it's cloudy at night, then certainly we don't get as great a dip in the cool temperatures at night as if we have a clear sky. For nearly millions of years, probably billions of years, the earth has done a pretty good job of balancing the effect of heating through the day and cooling at night. It has had its fluctuations in time, whether they be the ice age or periods of very warm weather. As well, we know that roughly 200 million years ago the landmass on the earth was one single piece that broke up and started to spread in different directions. That is why we see the appearance of fossilized forests up in the Arctic, because it wasn't always in that position. The Earth did a very good job, and over time, when man started relying on technology, we started to burn fossil fuels, to use fossil fuels, and we've continued to do so in an ever increasing way, and with the burning of those fossil fuels, we get the greenhouse gas emissions going into the atmosphere, the main culprits being carbon dioxide, methane, and nitrous oxide.

9:30

Of course, there is a tremendous abundance of carbon dioxide that we put into the atmosphere, and in 2001 the Canadian Energy Research Institute had determined the distribution of assessed carbon dioxide emissions by industry in Canada. Coal-fired generation accounted for 43 percent of those CO₂ emissions. Oil sands and mines accounted for 19 percent of those emissions. The petrochemical and fertilizer industries accounted for 10 percent. Refining and upgrading accounted for 7 percent; pulp mills, 5 percent; cement and lime productions, 1 percent; gas processing and pipelines accounted for 9 percent.

Now, then, the methane is also a very great contributor to the trapping of energy in the atmosphere, and it has the ability to trap that energy some 20 to 25 times greater than what carbon dioxide does, and the nitrous oxides that we are contributing to the atmosphere have somewhere in the neighbourhood of 250 to 300 times the capacity of trapping the greenhouse gas emissions. So as human beings on this earth, and particularly in the last 50 years, when these gases have been measured for their content in the atmosphere – that content has increased in percentages, and it certainly has had a great impact on the climate systems and the increased heating that's occurring on the earth.

Earlier the Member for Edmonton-Riverview talked about visiting the Columbia Icefield. Now, my father had the opportunity to visit the Columbia Icefield; 1928 was his first trip there. At that time, the present highway was in the same location, but the reason the highway was built on the east side of the valley was that the icefields

extended all the way across the valley floor and that was the first spot they could come to where the glacier did not cover the valley floor and they could build a highway. We've seen that it has receded miles since that time, in less than a hundred years.

Now, then, as well, I happened to come across an article in *The Scotsman*, a paper from Edinburgh, and the title of this particular article is *The First Global Warming Refugees*. It talks about four homes that fell into the sea in the tiny village of Shishmaref on the northwest corner of Alaska. It goes on to say that this community, that has lived in that location for hundreds of years, is now, because of rising sea levels, going to lose that community. As well, at one time they had no problems with the permafrost. It was not an issue, but now the permafrost has melted.

MR. MacDONALD: It's affected the pipeline – right? – the Alaska pipeline.

MR. BONNER: Yes, it's definitely affecting the Alaska pipeline as well, certainly signs of global warming such as we have not seen before.

There was a news special here two nights ago on TV where the city of Venice is looking at spending \$24 billion on flood control gates to protect that city. Now, Venice as a city is 700 to 800 years old and has not encountered rising seas in all of that time, yet they are seriously concerned about the future of that city because of rising seas.

As well, if we look at the temperature that we're going to have in Edmonton tomorrow, which is plus 12, that is 16 degrees above the average for that date in history.

Global warming cannot be ignored, and what we are doing is we are looking at what role man has played here. I don't think that anybody can refute the evidence, Mr. Speaker, that the speed of change and the amplitude of change because of global warming is significant, and it's probably more significant than at any other time in history.

Now, then, as well, Mr. Speaker, it is an issue that has been greatly studied. There are many views, but I'd like to take the point of view of Michael Porter, who is a director for the Institute for Strategy and Competitiveness at the Harvard Business School. He goes on to say:

Only those companies that innovate successfully will win. A truly competitive industry is more likely to take up a new standard as a challenge and respond to it with innovation. An uncompetitive industry, on the other hand, may not be oriented toward innovation and thus may be tempted to fight all regulation.

When the Member for Edmonton-Gold Bar was speaking earlier, he talked about Alberta firms who have voluntarily made greenhouse gas reductions, and of course one was TransAlta. We have Enmax, ATCO, EPCOR, Husky Energy, Suncor, Syncrude, Talisman Energy.

DR. TAFT: That's quite a list.

MR. BONNER: Yes, quite a significant list and by some big players in this province.

If these people are supporting Kyoto, if these people realize that these controls will be put on them – they are investing \$4 billion in some cases in industry in Fort McMurray. They have done it. They haven't only done it, Mr. Speaker; they've exceeded those limits that we have set, and their profits are increasing. So certainly innovation is something that industry is very capable of doing and do a much better job than government does.

It would be quite interesting as well, Mr. Speaker, if we ever

printed in the papers in this province those companies that don't want to be compliant. Perhaps, then, consumers in this province could say: well, we will support those businesses or we won't. It would be quite an interesting situation.

Now, as well, when we look at global warming and what we contribute as a province to this, it's quite interesting that when we look at the tonnes of carbon dioxide per capita in the world – we look at Alberta – Alberta per capita produces 72 tonnes of carbon dioxide per person. The Canadian and Australian average is only 22 tonnes per person. In China emissions are 12 tonnes per person. India is at a two tonnes per person level. So, Mr. Speaker, if we live in a global community and we wish this problem to be shared equally, well, then, Albertans must be quite ready to share their emissions throughout the world. I can only see the great nightmare that we will have in this world if China or India says: Albertans produce 72 tonnes per person of carbon dioxide emissions per year; why can we not have that same advantage in trying to develop our economies, in trying to develop our country? They would have every right to do it if we are going to continue at those particular levels. So we do have to do something with these emissions. We do have to do something with this runaway climate change that's occurring, and we must stabilize those emissions.

9:40

Now, then, we talked also earlier about the impact of other industries here in the province, and certainly we have our oil and gas industry as being number 1, but we also have agriculture at number 2. We have forestry at number 3. These are also critical industries in this province. When the Alberta Forest Products Association was meeting with us, one of their great concerns was the millions of dollars that they put back into the forests each year with the planting of seedlings. If we have a prolonged drought, then their investment is wiped out, because those seedlings cannot grow without water. I think that it is time that we did look at innovative ways whereby we can comply with the Kyoto accord, and certainly we have seen examples here where many significant and major companies in this province have.

Now, as well, I was reading an article in the *London Times*, and this here is: green groups condemn plan to bury carbon dioxide at sea. Now, the green groups might, yet for literally millions of years we have been able to have methane, natural gas, stored underground in this province. I can't see any reason why those caverns that housed natural gas for all those millions of years could not be used to bury our carbon dioxide. So that is certainly another way that we can do it.

You know, when we look at innovation, one of the people that did talk about how they met their Kyoto agreements was John Browne, the chief executive for British Petroleum, and he goes on to say:

We set our own target – to reduce our own emissions of greenhouse gases by 10 per cent from a 1990 base line by the year 2010. . . . Now, five years on, I'm delighted to announce that we've delivered on that target. . . . It came through a reduction in the amount of energy we need to use. . . . And we avoided unnecessary emissions. . . . And by applying simple efficiency – stopping leaks. . . . In aggregate the net effect of all those actions is that we've met the target, seven years ahead of schedule. And we've met it at no net economic cost – because the savings from reduced energy inputs and increased efficiency have outweighed all the expenditure involved.

Now, then, Mr. Speaker, we as a province and as a people have always prided ourselves on being innovative, and the pioneers that came here came with that spirit, and I think that they have shown us over time that they were very capable of being innovative, of adjusting to the times. Certainly, as a government we have to look

to the future with a positive outlook, and I think that by accepting the Kyoto accord, we will be doing that.

Thank you.

THE DEPUTY SPEAKER: Questions? The hon. Member for Grande Prairie-Smoky, followed by the hon. Member for Calgary-Bow.

MR. KNIGHT: Thank you, Mr. Speaker. I was interested in the comments with respect to methane, and I understood you to say that methane has a global warming potential, or a GWP, between 20 and 25 times that of CO₂. Given that, could you tell me what percentage of atmospheric methane is attributable to natural release from decomposition, coal seams, and the breakup of suboceanic methane hydrates?

MR. BONNER: That certainly is a mouthful, Mr. Speaker, and I do thank the member for that question. What scientists have told us all along is that perhaps our greatest risk and threat of global warming is that in the oceans we will have a rise in temperature. If that occurs, then the incredible vast resources that are stored in a solid form in the ocean will be released, and they could play great havoc on the environment and on our way of lives, more so than any other factor. So I thank the member for that question.

MS DeLONG: A couple of comments. First of all, you were talking about the companies that have already reduced their emissions. These companies that have reduced their emissions are not going to somehow avoid any Kyoto penalties, so what they have done in terms of their emissions was certainly not because of Kyoto. There are two reasons why their emissions are reduced: one, because of Alberta's strong clean air legislation and, two, because of deregulation because they can make money cogenerating electricity.

The point that I really want to make is that I want to ask you this question. Man-made CO₂ makes up 20 percent of the CO₂ that's in the atmosphere. This is, by the way, a really optimistic calculation. Most people say that it's around 10 percent. But let's be really positive here and say that 20 percent of the CO₂ comes from man-made emissions. Okay? Of that, only 2 percent comes from Canada. With Kyoto we would be reducing that by 30 percent. Try multiplying those numbers. What you get is one in a thousand. That is the amount that we would be reducing our CO₂ in the world. If we follow Kyoto, Canada will be reducing the CO₂ by one one-thousandth. One one-thousandth. Is that really worth risking our economy?

THE DEPUTY SPEAKER: The hon. Member for Edmonton-Glengarry.

MR. BONNER: Thank you, Mr. Speaker. That was a very good question. I didn't realize 30 seconds was that long.

Yes, it is, because we in this province have always prided ourselves as being leaders, and certainly as leaders we have a responsibility to the global economy, to our neighbours in other countries in this world. Without a doubt this is certainly one area where we can take the initiative to reduce those. It also gives us absolutely incredible opportunities with our innovation that we can market to other areas.

In the short time that I have to answer this question, I don't know if I can answer as to what the competitive edge will be for Alberta to follow this. But by taking a lead in addressing environmental issues, governments position firms in their jurisdiction to be more efficient and competitive in future markets. That's one thing.

Governments can design policies in a manner that respects legitimate competitiveness concerns, and that certainly is not ignoring the problem and thinking that we can burn without any controls whatsoever. There are many more as well, Mr. Speaker. It's unfortunate that I don't have the time here to respond fully to that question.

Thank you.

THE DEPUTY SPEAKER: The hon. Minister of Environment to close debate.

DR. TAYLOR: Yes. Thank you very much, Mr. Speaker. I appreciate the opportunity to rise and close debate on Bill 32. I'd like to start by saying that the federal government and their henchmen on the other side here are trying to give the impression that the Alberta government and the people of Alberta don't care about the environment. They're trying to give the impression that Albertans want to destroy the environment. What they do in all the name calling and the table thumping is that they neglect the facts of the matter. They neglect the fact, Mr. Speaker, that the government of Alberta is today 22 percent below its 1990 targets. They neglect the fact that the government of Alberta is the only government in the country to receive three awards under the voluntary challenge and registry.

9:50

MR. RATHGEBER: How many awards?

DR. TAYLOR: Three, Mr. Speaker.

The Alberta government has been taking action and encouraging industry in this province to take action since 1990. The other provinces recognize Alberta as a leader in this whole area in regards to climate change. We are spending more money on research than any other province. We are spending more money on research than the federal government in this whole area of climate change, and we are the only government in Canada to do that.

You know, as we go forward with our action plan, Taking Action, it is a real plan. It's a plan that proves that you can reduce greenhouse gases. The henchmen opposite continually say that it doesn't make a difference. Well, they haven't read the plan, because if we go forward with a business-as-usual case, Alberta would be producing by 2020 280 million tonnes of greenhouse gases. Just Alberta, Mr. Speaker. Under the Alberta plan we will be producing someplace in the neighbourhood of about 210 million tonnes. That is a real reduction of millions and millions of tonnes of greenhouse gas that our plan will clearly guarantee.

Our plan includes realistic time lines and realistic targets. It recognizes that there is a very clear connection between a healthy economy and a healthy environment, Mr. Speaker. This is clearly recognized in any number of studies I could cite: the World Economic Forum, that these people across the way like, and the World Bank studies quite clearly show recently, in 2001 studies, that there's a clear connection, a high correlation between a healthy economy and a healthy environment.

The countries that have the healthiest environmental sustainability indexes, Mr. Speaker, are the countries that have the highest GDPs. Those are the countries in western Europe. Those are the countries in North America: the U.S. and Canada. The highest GDPs, the highest environmental sustainability indexes. These are not Alberta government figures. These are World Economic Forum figures. Countries that have the lowest GDPs – Haiti, Eritrea, Ethiopia, other countries in Africa – guess what? They have the lowest environmental sustainability indexes. It's quite clear. There's a very clear connection. You can look at a country like Russia or the developing

east bloc countries, and they're somewhere in the middle. Their economies are improving, and as their economies improve, their environmental sustainability index improves as well. So there's a clear connection between a healthy economy and a healthy environment. It's a balance, Mr. Speaker, and we must be constantly aware of that balance.

Alberta's approach represents a holistic approach to action on climate change. It involves a number of actions, Mr. Speaker. What the federal government and their henchmen opposite fail to recognize is that consumers in this country produce 60 percent – 60 percent – of greenhouse gases. Now, you hear the Prime Minister saying that there will be no impact on consumers. How can you have a group that's producing 60 percent and not have any impact on them? The federal government needs to have the guts, if they want to make a difference, to stand up and say to consumers in this country: "You're responsible for 60 percent. You are going to have to change." But they don't. The Prime Minister said just last week . . .

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

THE DEPUTY SPEAKER: The hon. Member for Edmonton-Gold Bar is rising on a point of order. Do you have the citation, please?

MR. MacDONALD: Yes, certainly, Mr. Speaker, 23(j).

THE DEPUTY SPEAKER: Okay. Yes.

Point of Order Parliamentary Language

MR. MacDONALD: Mr. Speaker, the hon. minister has on three occasions described members on this side of the House as henchmen. Certainly, I consider that to be abusive or insulting language of a nature likely to create disorder. Now, when we look at the definition of "henchmen" in the dictionary that has been provided, it is: one prepared to engage in crime or dishonest practices. I consider that to be unparliamentary, and I would ask now for the hon. minister to withdraw those descriptive remarks that he's used on three occasions in this debate.

DR. TAYLOR: Well, Mr. Speaker, the definition makes my point exactly.

MR. MacDONALD: Mr. Speaker, I find that completely unacceptable, and again I ask the hon. minister, in light of that description – and this is a quote directly from the dictionary: a political supporter, especially one prepared to engage in crime or dishonest practices. If that sort of language is allowed to be tolerated in this Assembly tonight, to allow it to go on any further, it is a practice that simply cannot be accepted in this Assembly.

THE DEPUTY SPEAKER: The chair has on occasion admonished hon. members in the House who use language that is demeaning, unbecoming, noncomplimentary, derogatory. I think that the hon. minister might do the right thing, and then we could move forward. It really doesn't add to debate. It detracts from the whole House. It may be to some a laughing matter, but it does reflect badly on all members, even though they haven't participated in that form of name-calling.

The hon. minister.

DR. TAYLOR: Thank you, Mr. Speaker. I will, then, continue with my speech and not use that word any longer. It seems that it has offended the people. I will not use it any further.

THE DEPUTY SPEAKER: You will not use the language any further and . . .

DR. TAYLOR: I won't use it any further. Well, let's put it this way, Mr. Speaker: I regret that they took offence from the truth.

THE DEPUTY SPEAKER: I would hope that you will not repeat the offending words or similar kinds of words and that you now regret it, so the honourable thing is . . .

DR. TAYLOR: Yes. I regret it, Mr. Speaker, and won't use them any further.

THE DEPUTY SPEAKER: I've heard that.

DR. TAYLOR: What do you wish me to say, Mr. Speaker?

THE DEPUTY SPEAKER: I just thought you would do the honourable thing and withdraw the demeaning remarks.

DR. TAYLOR: Oh, certainly, Mr. Speaker. More than prepared to do that.

THE DEPUTY SPEAKER: To do what?

DR. TAYLOR: I'm supposed to sit down, I guess, when you're standing.

THE DEPUTY SPEAKER: That's right.

DR. TAYLOR: I'd like to withdraw the offending comments. I'm more than prepared to withdraw the offending comments. Can I stand now?

THE DEPUTY SPEAKER: If you haven't heard, hopefully *Hansard* has recorded that you've withdrawn the offending remarks. Further, you've indicated to the House that you wouldn't use any more of those kinds of remarks.

DR. TAYLOR: That's correct, Mr. Speaker. I won't use "henchman" anymore.

Debate Continued

DR. TAYLOR: So anyway, Mr. Speaker, in continuing with my speech, if I might, clearly our plan outlines a number of actions that we can take. As I was pointing out, the consumers are responsible for a large percentage of greenhouse gases across the country, 60 percent on average. In Alberta, because of the nature of our industry, it's only about 35 percent, so we have a little different balance in Alberta, and the consumers aren't responsible for as much as they are across the country. The Prime Minister will not stand up and say to the consumers of this country, "You have to change your behaviour," but Alberta's plan clearly identifies that consumers must change.

We have other aspects in the plan as well, Mr. Speaker. We have an emphasis on investing in research and technology, and the Minister of Infrastructure quite clearly elaborated on that, so I don't need to go into those details. Oh, I see some colleagues looking up the word "henchman" for me.

So, clearly, we don't need to go into those details. However, the minister did not mention the idea of sectoral agreements, and one of the major planks of the Alberta platform is to go forward with sectoral agreements, to have industry commit.

Now, once again, one of the falsehoods that is being portrayed by

the people opposite is quite clear. They have said that there's no force to be brought in Alberta's agreement. Mr. Speaker, that's simply not true. We have stated very clearly in our legislation: there will be regulations, there will be legislation, and there will be penalties. So when those people opposite stand up and say that there is no force, they simply are not telling the truth, and they continue to not tell the truth.

I've just been informed, Mr. Speaker, that the definition of henchman is also: faithful supporter.

THE DEPUTY SPEAKER: Yes. I'm sure we could go on about that. I thought that you withdrew the remark. Now you're bringing it back, hon. member.

DR. TAYLOR: Okay. Well, I will not refer to faithful supporters any longer, Mr. Speaker.

As we go forward, Mr. Speaker, our plan is an activeness plan, and quite clearly it proves two things. One, Alberta is clearly and firmly committed to taking action on climate change. Clearly and firmly committed, the only province that has a plan. The federal government doesn't even have a plan. Second, there are very serious and clear alternatives to Kyoto. It's not Kyoto or nothing. Alberta has never said: Kyoto or nothing. Alberta has always said: "Climate change is an important issue. Let's find a meaningful way to deal with it, one that does not harm our economy and still protects the environment."

10:00

Our plan is a clear signal for action, Mr. Speaker. It gives people tools to act, it inspires them to act, and Alberta's plan can serve as part of a made-in-Canada solution. In fact, one of the issues that we've dealt with other provinces on is: what is your plan for climate change? In Quebec I've spent considerable time talking to Andre Boisclair, the minister from Quebec, and they have a plan. Manitoba has a plan. B.C. has a plan. All of these plans are unique to the provinces because they have unique economies. What the faithful servants opposite fail to recognize is that Alberta was never asked to go below the 6 percent. It was a commitment made on behalf of the country. Manitoba is saying that it can get to 12 or 15 percent. Quebec is saying that it can get below 22 percent.

So for the members opposite to stand up and say, you know, "Alberta's got to get to 6 percent below 1990" – it was quite correctly recognized by the member opposite that it would be between 30 and 35 percent below today, not 6 percent – is not in the cards for Alberta. Yet with these various plans we can put together a made-in-Canada approach, because, as I said, each economy is different. You can manipulate your greenhouse gases in an economy like British Columbia or Quebec, that has much more forested area than Alberta does, in a different way than we do in Alberta.

This, Mr. Speaker, really is a bottom-up approach. It's not the top-down approach that's driven at the provinces by the federal government. What is particularly interesting is that all 10 provinces – that includes two Liberal governments. That includes two NDP governments. That includes a separatist government, not Alberta, in Quebec and includes some Conservative governments. All 10 provinces and three territories have thrown out the federal plan. None of them, none of us find that federal plan acceptable. All 10 provinces and three territories have signed on to 12 points. These 12 points recognize a made-in-Canada solution. We all agree. Do we all agree on ratification? No. Quebec and Manitoba think the protocol should be ratified. But by the same token, they sign on and respect the 12 points that the provinces have agreed on and want to develop a made-in-Canada plan on.

Ministers of environment and energy were there with me that

night. We met in Halifax I think from 6 o'clock till 1 o'clock the next morning, and we hammered out these 12 points. It wasn't easy, Mr. Speaker. Quebec had to give something. Alberta had to give something. B.C. had to give something. But we came together as provinces with 12 points we all agree on, and as a result of that, the federal government will not listen to us. The federal government has not responded in an adequate way. What they've done with the 12 points is they've rejected three of the most critical, they've rewritten seven, and they've rewritten the preamble and sent it back to us like we can't read and said: here are your 12 points. They've rewritten the preamble, seven principles, and rejected three. They say that's discussion with the province. They say that's accepting the province. Well, it's not, and all 10 provinces and three territories recognize that.

We can develop a made-in-Canada plan, a made-in-Canada plan that will reduce greenhouse gases and not send hundreds of millions of dollars into the Soviet Union to buy emission credits. How many Soviet mafia do these people want driving around in new Mercedes with personalized licence plates saying, "Thank you, Alberta"? I say: we don't want one on this side of the House, Mr. Speaker.

You know, another example of where Alberta is a leader is that last week the Minister of Infrastructure put out a request for a proposal. He put out a request for a proposal to secure at least 25 percent – 25 percent – of Alberta government power to be green power. No other jurisdiction in the country has done this, Mr. Speaker. Twenty-five percent green power for the Alberta government. Where is the federal government in this? They're not doing it. Where are the other provinces that even want ratification? They're not doing it. Alberta is once again quite clearly a leader. So I'm pleased to see that Infrastructure has requested this. In our plan the Alberta government only asked for 15 percent. We're going to get to 15 percent. Infrastructure has gone one better: 25 percent. So as we go forward, the Alberta plan is a good one.

I heard the member opposite talking about family. Well, I have children and grandchildren who live in this province. I have four daughters, four granddaughters, and one grandson. He's seven years old, and he lives in Sherwood Park. He's the best and smartest grandson in the world – he takes after his mother – and I want Alexander to have a healthy environment, you know, when he's 25, when he's 30. He's going to be educated. His parents are both very well educated. But you know what, Mr. Speaker? I want Alex to have a job in Alberta too, and that's the balance: healthy environment, healthy economy. And in spite of what the members opposite say, I care about my grandchildren.

[Motion carried; Bill 32 read a second time]

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

[Mr. Tannas in the chair]

THE CHAIR: I'd like to call Committee of the Whole to order.

Bill 36

Appropriation (Supplementary Supply) Act, 2002 (No. 2)

THE CHAIR: Are there any comments, questions, or amendments to be offered with respect to this bill? The hon. Member for Edmonton-Gold Bar.

MR. MacDONALD: Thank you very much, Mr. Chairman. At this time I certainly have a few comments regarding Bill 36. When we look at this bill, it's a reflection of the planning practices of this current government.

AN HON. MEMBER: You're right; I should have planned for that drought.

MR. MacDONALD: An hon. member opposite thought they should have planned for the drought. Unfortunately, the severity of that drought is still being openly questioned by members opposite.

10:10

When you look at the continuous parade of appropriation bills, the size of them, and you look at the total budget of the government, you have to understand that one would have, certainly, concern about the budgeting process by this government. Now, we go through this department by department, Mr. Chairman. We've got Aboriginal Affairs and Northern Development. The majority of this is certainly for Agriculture, Food and Rural Development. We've got Community Development. We've got Infrastructure. We have Learning. Consider the fact that there are in public schools in this city budget deficits, it's reported, in the range of between \$15 million and \$18 million; it certainly is significant. We have Municipal Affairs. We've got Sustainable Resource Development with, oh, roughly 25 percent of this appropriation, and we've got Transportation. You look at how we're going to account for all this money.

The hon. Minister of Environment spoke earlier about the World Bank and, recognizing that it was on the Kyoto Bill, spoke about the World Bank. The World Bank certainly has concern about governments and how they spend money, and I was surprised as chairperson of Public Accounts. Certainly, as chairperson of Public Accounts in this Legislative Assembly one has to seek ways to improve the auditing and the accounting of all government expenditures, including what's in this Bill 36, Mr. Chairman.

Now, how could we make the system better? Well, the World Bank sent this hon. member a letter in the middle of the summer this year and asked a series of questions. We need to improve all accounting and auditing systems, and I think that if we do, we won't have these large sums to debate every time. We will have better planning, and we will have better budgeting from this government, because certainly this government practises three-month, not three-year budgeting. We just have to look at the budget from last spring. The ink was hardly dry on it in this Legislative Assembly and it had to be changed.

So how could we make things better? Well, I think we could make things better by organizing and giving the Standing Committee on Public Accounts of this Legislative Assembly more authority. Certainly, I think that the Public Accounts Committee should look at how other jurisdictions operate, other jurisdictions in the British Commonwealth. It is amazing that the committee here cannot entertain questions relating to government policy or program delivery and, in my view, simply meets for the sake of meeting. It cannot be said that our committee in this province is a role model for public accounts committees in other developed or developing Commonwealth countries.

Now, if we met more often, if we increased the frequency and timeliness of meetings and reports, would it be necessary to be presented with Bill 36, to spend an additional \$822 million? If we were to consider that the Standing Committee on Public Accounts meets currently for one and a half hours each week when this House is in session and each meeting is dedicated to the review of the public accounts of a particular ministry or the annual report of the Auditor General of Alberta, in 2001, Mr. Chairman, the House was in session for eight calendar weeks, which allowed the committee to meet eight times. Thus, the committee met for only approximately 12 hours in the entire calendar year. Some of the portfolios that are mentioned in Bill 36, I would hazard a guess, certainly did not

appear before the Public Accounts Committee to have their budget scrutinized, yet they're in here looking for more money. They're looking for more money here in Bill 36.

Now, this 12 hours contrasts, Mr. Chairman, with the thousands of hours of deliberations of the federal Public Accounts Committee and the hundreds of hours of deliberations at provincial public accounts committees both within and without the sessions of their respective Houses. This committee in this Assembly has, to my knowledge, never presented a substantive report to the Legislative Assembly of Alberta. This compares to 16 reports and numerous press releases that the federal Public Accounts Committee has presented to the House of Commons in the current federal Parliament.

Now, if this committee had more authority, perhaps these appropriation amounts would not nearly be as large and we wouldn't be playing sort of budget roulette: oops; we need more money. The easiest thing to do is ask for more money. The difficult thing is to plan properly. Perhaps if the hon. Member for Edmonton-Glenarry had the authorization, I guess I could say – I hate to use that word “authorization” – to be on standing policy committees and could scrutinize this budget process, if there were opposition members on standing policy committees, then perhaps this system here would not be necessary, or certainly we wouldn't be talking about close to a billion dollars in appropriations. There would be, within the budgetary framework, questions asked by the members of the opposition, if they were allowed on those committees, to perhaps make the system a little bit more efficient.

If not only the standing policy committee but the Public Accounts Committee could expand the scope of the nature of issues that it could investigate, this would be better for democracy, better for budgets in this province, and certainly better for the taxpayers. This committee, Public Accounts, in this province is restricted to reviewing the public accounts of the government of Alberta in each of its ministries. The committee cannot entertain any questions relating to the public policies or programs of the government, and this contrasts to the wide-ranging nature of issues investigated by the federal and various provincial public accounts committees.

Now, one would also have to look at the diligence and the skill of committee investigators. Currently, the committee enjoys the administrative services of one clerk. This is an able clerk, but the clerk is responsible for such things as booking meeting rooms, circulating agendas, taking minutes, and responding to surveys, such as this survey that I responded to at the World Bank. But unlike the federal or various provincial public accounts committees, the committee does not have a budget to hire researchers or investigative staff. Perhaps at some time Public Accounts Committee researchers or forensic auditors can have a look at how we're quickly going to spend this 800-plus million dollars. Perhaps they could uncover some deficiencies in the budgeting process and fix them up so that it doesn't happen again. Again, the Public Accounts Committee does not have the mandate, the budget, or time to analyze any matters of public importance in a substantive manner. I'm sure that if they did, we wouldn't have such large sums as we have before us tonight in Bill 36.

10:20

Now, we need to certainly look at improving how we do business in this Assembly, and that is one way that we could do it. How do we do it? We have to change the Standing Orders. It is unfortunate that this committee meets only when the House is in session. We have to change that. We have to change the fact that it's supported by only one clerk. We have to change the fact that it does not have a budget or authority to meet when the House is not in session, nor

does it enjoy a budget to employ the services of an investigator or support staff. I realize that the committee draws its authority from Standing Order 50, which reads: "Public accounts, when tabled, stand referred to the Public Accounts Committee." Standing Order 50 does not provide much guidance to the committee on what its exact mandate is. For example, if the committee were to find a deficiency in the public accounts of the government, the standing order does not instruct the committee to report its observations on the matter and its recommendations on how to correct the deficiency.

For instance, if at some time, Mr. Chairman, under the diligent scrutiny of the Public Accounts Committee the hon. Member for Calgary-Bow was to determine that all the money that went to Agriculture, Food and Rural Development for drought relief actually didn't go to areas where needed and the hon. Member for Calgary-Bow was to ask the question: how come so many farmers in southern Alberta who raised their crops with irrigated water are getting drought relief when this government has no money to increase AISH or SFI benefits? Let's just say that the hon. Member for Calgary-Bow asked that question, Mr. Chairman, and it's a good question. Why are we providing in this \$400 million drought-relief program – it's a blanket approach – some money for farmers who use irrigation systems, yet we have no money for the hungry, for the homeless, for the unemployed, for children who are going to school hungry. I won't add overcrowded classrooms, but I think that in retrospect I will: hungry children going to school in overcrowded classrooms. This is the reality of some of these programs. With a revamped Public Accounts Committee, if we're to spend a few dollars, I think we would save millions and millions of dollars, Mr. Chairman.

In practice the committee invites ministers of the Crown to appear before it, and sometimes I think this is a waste of time of the hon. ministers of the Crown. I think it's a waste of time for them to be appearing on a regular basis at the Public Accounts Committee. I think that we should take the advice of the Auditor General from 10 years back and invite the ministers and deputy ministers, and on occasion we could invite the ministers of the Crown. Certainly it's my experience in the past that some of them have been reluctant to appear and have made every effort not to attend, but they have come. If they're that busy, I think that we should just say: leave them over in their offices and send the deputy ministers and the assistant deputy ministers and the officials that are running the programs in the department. Perhaps we could save everyone a little bit of trouble. Now, when the minister of the Crown does appear and gives a 15-minute overview of his or her department, it is interesting, but certainly it's something the deputy ministers or the assistant deputy ministers could do.

For those who don't have the privilege of sitting on the Public Accounts Committee at the moment, the committee members have the opportunity to ask questions of the minister relating to his or her statement and the public accounts of the ministry in question. I have never understood the exact process or where the committee draws its authority to do so. As this is not mentioned in the Standing Orders, it's unclear about the role of the Auditor General of Alberta. We could work with the hon. Government House Leader and change Standing Orders, Standing Order 50 to be precise, and improve the Public Accounts Committee so that we wouldn't be faced with such a large bill tonight as Bill 36. It is unfortunate.

Perhaps we can change this so the hon. Member for Calgary-Bow can write a report, can issue an opinion, an observation, a deliberation, or a recommendation from the Public Accounts Committee on this policy of giving farmers that are irrigating their crops drought relief while neglecting the hungry, the homeless, and the unem-

ployed and forgetting about overcrowded classroom conditions in this province. The hon. member would perhaps like to use the avenue of Public Accounts to address this.

In conclusion regarding the Public Accounts Committee, if one were to contrast the authority and practices of the committee in Alberta with the sister organization at the federal House of Commons or a sister organization in a similarly-sized Legislative Assembly, one would find that the committee in Alberta does not enjoy any substantive authority, nor does it play any substantive role in reviewing the financial statements and public policies of the government, nor does it have any authority to recommend changes to public policy, public finances, or program delivery. If it did, I am quite confident that this bill, Bill 36, yet another appropriation bill, would not be nearly so large.

Mr. Chairman, when we look at this government, it's an urban myth that it knows how to budget, because when you see this, you know they don't. It is a significant amount of money. It is probably 4 percent of the entire provincial budget. It's a little better than 4 percent, I suppose, but we will say that it's 4 percent. When we look at seeking legislative authority to put moneys from the general revenue fund towards expenses, operating expenses and capital investment that have not yet been granted, we're actually providing the government permission to spend over \$822 million in more than eight departments than was budgeted at the beginning of the year.

Unfortunately, my time has expired. I know that the hon. Minister of Agriculture, Food and Rural Development and Deputy Premier was anxious for me to continue, but I'll take my seat and cede the floor to another colleague.

[The clauses of Bill 36 agreed to]

[Title and preamble agreed to]

10:30

THE CHAIR: Shall the bill be reported? Are you agreed?

HON. MEMBERS: Agreed.

THE CHAIR: Opposed? Carried.

MR. HANCOCK: Mr. Chairman, I move that the committee rise and report Bill 36.

[Motion carried]

[The Deputy Speaker in the chair]

MR. LOUGHEED: Mr. Speaker, the Committee of the Whole has had under consideration and reports Bill 36.

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

HON. MEMBERS: Agreed.

THE DEPUTY SPEAKER: Opposed? So ordered.

The hon. Government House Leader.

MR. HANCOCK: Thank you, Mr. Speaker. I'd move that we adjourn until 1:30 p.m. tomorrow.

[Motion carried; the Assembly adjourned at 10:32 p.m.]