

## Legislative Assembly of Alberta

Title: **Friday, May 22, 1992**

10:00 a.m.

Date: 92/05/22

[Mr. Speaker in the Chair]

head: **Prayers**

MR. SPEAKER: Let us pray.

O Lord, grant us a daily awareness of the precious gift of life which You have given us.

As Members of this Legislative Assembly we dedicate our lives anew to the service of our province and our country.

Amen.

head: **Introduction of Visitors**

MR. SPEAKER: The Member for Edmonton-Kingsway.

MR. McEACHERN: Thank you, Mr. Speaker. It's my pleasure today to introduce to you and to members of the Assembly three New Democrats from our neighbouring province of Saskatchewan. I would like them to stand as I call their names and stay standing, please: the first one, Ray Funk, MP for Prince Albert-Churchill River; Myron Kowalsky, MLA for Prince Albert Carlton, so they overlap; and Glenn Hagel, MLA for Moose Jaw Palliser and caucus Chair. I would ask the Assembly to give them a warm welcome.

head: **Presenting Petitions**

MR. SPEAKER: The Member for Taber Warner, followed by Edmonton-Belmont.

MR. BOGLE: Thank you, Mr. Speaker. I would like to file with the Legislative Assembly a petition received containing more than 1,000 signatures of Albertans concerning the type of entertainment allowed in Alberta bars.

MR. SIGURDSON: Mr. Speaker:

Ever since I was a young boy,  
I've played the silver ball.  
From Berwyn down to Claresholm  
I must have played them all.  
That big old bear from Barrhead,  
he never tilts at all.  
The minister named Kowalski  
sure plays a mean pinball.

Yesterday I received a rather unique petition in that the 18 individuals who signed that petition signed their names to a video arcade machine. It weighs about 250 pounds and stands about six feet high, so I didn't bring it into the Legislature, Mr. Speaker. However, sir, I do have a paper copy of that petition with 20 signatures that asks the Legislative Assembly to adopt an Act that is similar to the provinces of New Brunswick and Prince Edward Island that would permit the private ownership and operation of video lottery terminals.

Mr. Speaker, finally, I wish to advise members that the video machine will be delivered to the Minister of Public Works, Supply and Services following question period, and those members that have 50 cents can go and plug in their quarters and play the game.

head: **Notices of Motions**

MR. MARTIN: Mr. Speaker, I'd like to inform you that pursuant to Standing Order 30 I wish to request leave to move to adjourn

the ordinary business of the Assembly today to discuss a matter of urgent public importance, that being yesterday's announced sale by the Alberta government of NovAtel Communications Ltd. and the loss of \$566 million that the Alberta taxpayers have suffered as a result of this sale and the repurchase of NovAtel from Telus in January of 1991.

head: **Introduction of Bills**

### Bill 298 Access Enforcement Act

MRS. HEWES: Mr. Speaker, I beg leave to introduce Bill 298, the Access Enforcement Act.

Mr. Speaker, the purpose of this Act is to provide wider opportunity for custodial and noncustodial parents to resolve access disputes as well as offer mediation services as an alternative to costly court proceedings.

[Leave granted; Bill 298 read a first time]

### Bill 303 Employment Standards Code Amendment Act

MRS. HEWES: Mr. Speaker, I beg leave to introduce Bill 303, the Employment Standards Code Amendment Act.

Mr. Speaker, the purpose of this Act is to ensure that provincial legislation is consistent with the federal Unemployment Insurance Act, extending present maternity leave by eight weeks and adoption leave by 10 weeks.

[Leave granted; Bill 303 read a first time]

MR. SPEAKER: Edmonton-Gold Bar.

### Bill 306 Health Disciplines Amendment Act

MRS. HEWES: Thanks, Mr. Speaker. I beg leave to introduce Bill 306, the Health Disciplines Amendment Act.

Mr. Speaker, the purpose of this legislation is to ensure that midwifery is once again recognized as a legal profession.

[Leave granted; Bill 306 read a first time]

head: **Tabling Returns and Reports**

MR. SPEAKER: Hon. members, I table with the Assembly Members' Services Committee Order 5/92.

head: **Introduction of Special Guests**

MR. SPEAKER: The Leader of the Opposition.

MR. MARTIN: Thank you, Mr. Speaker. It's a great honour for me today to introduce Walter and Alvina Gurba from the Delton community in Edmonton. The reason it is an honour is that this year they won the Outstanding Long Time Service Award presented by the Edmonton Federation of Community Leagues. There are only four of these in a year, and interestingly enough this is the first husband and wife team that has won an individual award. They are in the public gallery. I'd ask them to stand and receive the warm welcome from members of the Assembly.

MR. FJORDBOTTEN: Mr. Speaker, it's my pleasure this morning to introduce grade 11 students from Calvin Christian school in my constituency in the community of Monarch. They're accompanied

this morning by teachers Mr. and Mrs. Marinus Slingerland and Miss Glenda Slingerland and helpers and parents Mr. and Mrs. Hank Arnoldussen. It's not very often that I get an opportunity to introduce members from my constituency, and I would ask them to rise and receive the warm welcome of the Assembly.

MR. SPEAKER: Edmonton-Belmont.

MR. HAWKESWORTH: Thank you, Mr. Speaker. It's a pleasure today to introduce to you and to all members of the Legislature two members of the Amusement Operators Association of Alberta. They're seated in the public gallery. They're Garry Erdmann and Jim Strukalo. I'd ask them to rise and receive the warm welcome of the Legislative Assembly.

MR. SPEAKER: The Minister of Culture and Multiculturalism, followed by Edmonton-Centre.

MR. MAIN: Thank you, Mr. Speaker. I'd like to introduce two gentlemen who are seated in the members' gallery. One is the Deputy Minister of Culture and Multiculturalism, Jack O'Neill, whom many members of the Assembly are already familiar with. He is accompanied today by the person to whom he affectionately refers as his kid brother. I'd like to introduce Brian O'Neill, who is the executive vice-president of the National Hockey League, who is here in town tonight to witness game four of the playoffs. If we pound our desks real hard, perhaps he'll be back for game six on Tuesday. I'd ask them to stand.

**10:10**

REV. ROBERTS: Mr. Speaker, in the public gallery today are eight students from St. Joseph's high school in the constituency of Edmonton-Centre. They're here with their teacher David Zacharko. I hope they enjoy their stay with us this morning. I'd ask them now to please rise and be welcomed by the members here today.

MR. SPEAKER: The Member for Clover Bar.

MR. GESELL: Thank you, Mr. Speaker. It's my pleasure this morning to introduce to you and to the members of the Assembly 21 guests from the Rudolph Hennig school in Fort Saskatchewan. Our guests are seated in the members' gallery. They're accompanied by their teacher Mr. Ingriselli. I would now ask them to rise and ask the members of the Assembly to extend a warm, cordial welcome.

MR. SPEAKER: Hon. members, tomorrow marks a special anniversary for one of our members. It marks the 25th anniversary of his first election to the Alberta Legislative Assembly, on May 23, 1967. I'm sure all hon. members will recognize the hon. Premier.

**head: Oral Question Period**  
**AGT Privatization**

MR. MARTIN: Mr. Speaker, yesterday's NovAtel announcement frankly marked the biggest fiasco in this province's history, yet this government didn't have the courtesy to announce it in the Legislature, and at the last minute Technology, Research and Telecommunications' estimates were switched by this government so that no questions could be asked of this minister today. That

is shameful. What a sad day for Alberta. What is clear about this announcement is that the privatization of AGT is a complete and utter fiasco. The province made \$421 million on the sale of AGT but lost more than half a billion dollars on NovAtel: shrewd business sense. My question to the Premier is simply this: will the Premier now tell Albertans how it is possible to privatize a profitable company like AGT yet end up costing Alberta taxpayers hundreds of millions of dollars?

MR. SPEAKER: Privatization as an issue, not NovAtel.  
Thank you.

MR. GETTY: Thank you, Mr. Speaker. Actually, the Provincial Treasurer dealt with this very question yesterday, and perhaps today in the fullness of the estimates we'll be able to deal with it further. I can only say that the hon. Leader of the Opposition prefaced his question with some false comments, and if he would only frame them in the context of the real facts, we'd be able to deal with the matter more effectively.

In dealing with the matter of somehow trying to keep discussion on this matter away from the House, I just can't accept it. The government has announced this matter where the people have jobs. The acting minister made the announcement in this Legislature. We tabled a letter under special duties of the Auditor General to get all the information out and to then make it public. Then, Mr. Speaker, as we've pointed out before, this is a matter that, since the government has had it, has been ordered through a management committee to either become profitable, be shut down, or be sold. That's where the government's responsibility was. Now we have all the facts we want to be out, and rather than a question period controlling people, the minister's estimates, where you can talk over and over again, ask as many questions as you want - I mean, let's really get the facts here. That is the best way . . .

**Speaker's Ruling**  
**Anticipation**

MR. SPEAKER: Thank you, hon. Premier.

The questions will be allowed to continue on the matter of privatization or the matter of the announcement being outside the House or inside the House but not on the issue, please.

**AGT Privatization**  
*(continued)*

MR. MARTIN: That's precisely my point. The Speaker just made the point very clearly about how this government's hiding.

Now, Mr. Speaker, AGT was privatized two years ago with the blessing of both the Conservatives and the Liberals. Now taxpayers are left holding the bill for the ideology of these two parties. I would point out that AGT was making about \$50 million a year at that time, so we've also given up \$100 million in profits so far. So what we have sold off are profitable assets for bigger deficits. My question to the Premier is simply this: what kind of fiscal management is that?

MR. GETTY: Mr. Speaker, we spent most of question period yesterday dealing with the same matters. If the hon. member wants to review *Hansard*, he'll have received all of the answers.

Now, on the narrow area of privatization which he raises, the minister may well want to supplement my remarks.

MR. STEWART: Mr. Speaker, on the references to the privatization of Telus, I think it's very important that the hon. leader should know the reasons for the Telus privatization. The

nature of the industry at that point in time was such that that was the only route to follow if this province was ever going to be furthered. The dollars that resulted from that: \$500 million to the bottom line for the taxpayer, a removal of about \$1.5 billion of loans and guarantees off the backs of taxpayers, and the removal of about \$2 billion worth of capital investment that would have been required if we had not privatized AGT.

MR. MARTIN: What a phony baloney answer, Mr. Speaker. The reality is that it was a triumph of ideology over common sense. It's cost us \$145 million, and we've given up our assets. That's the reality.

Now, my question back to the Premier is simply this: isn't it true – the Treasurer was talking about this yesterday – that because of this government's waste and mismanagement, all Albertans are going to have to pay higher taxes for less service in the future?

MR. GETTY: No, Mr. Speaker, that isn't true.

MR. SPEAKER: Second main question, Leader of the Opposition, and hopefully it will be on a topic other than Technology, Research and Telecommunications.

MR. MARTIN: Well, Mr. Speaker, I know it's a cute manoeuvre by this government, but we'll keep going.

MR. SPEAKER: No, I don't think so.

#### **NovAtel Communications Ltd.**

MR. MARTIN: Mr. Speaker, my second question has to come back to the Premier. This government lost at least \$566 million on NovAtel. My question to the Premier: who is responsible for this fiasco?

#### **Speaker's Ruling Anticipation**

MR. SPEAKER: I'm sorry, hon. Premier. No, the question's out of line.

Section 409(12): "Questions should not anticipate a debate scheduled for the day." The Chair allowed the matter to proceed on the first question.

MR. SIGURDSON: This is money lost, not money to be expended.

MR. SPEAKER: Order please, hon. member.

In addition, the estimates are coming up for this department. There's a Standing Order request that's sponsored by the Leader of the Opposition himself, and that's when it will be dealt with.

You've used up your second question, hon. member. I'm sorry.

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

MR. SPEAKER: Thank you very much.

MR. DECORE: You only read half of the section in *Beauchesne*. Read the other half, sir.

MR. TAYLOR: Subsection (14).

MR. SPEAKER: Subsection (12) of 409 is what the Chair referred to, and it is completely read, hon. member.

MR. TAYLOR: Keep reading.

MR. SPEAKER: Order please.

SOME HON. MEMBERS: Point of order.

MR. SPEAKER: Okay. Order. [interjections] Order.

MR. TAYLOR: Try (14).

MR. SPEAKER: Your point of order will be duly noted at the end of question period.

AN HON. MEMBER: On the next page.

MR. SPEAKER: Order.

MR. BRUSEKER: Section 410(14).

MR. SPEAKER: Order.

Leader of the Opposition, I'll listen to your first supplementary on this second question with an issue that is not directly related.

MR. MARTIN: Mr. Speaker, it had to do, if I may say so – and I'll follow up – with the performance of this government, and it has to do with the budget. [interjection]

MR. SPEAKER: Order. Take your place, Edmonton-Glengarry. [interjections] Take your place, Edmonton-Glengarry. [interjections] Thank you, Edmonton-Glengarry. It's been noted that you will have a point of order at the end of question period. [interjection] Order please.

MR. DECORE: Read the rest of *Beauchesne*.

MR. SPEAKER: Order please, hon. member. [interjections] Order please.

The Chair recognizes the Leader of the Opposition, who is quite capable of looking after himself and doesn't need Edmonton-Glengarry.

#### **10:20 NovAtel Communications Ltd. (continued)**

MR. MARTIN: Mr. Speaker, when the Principal Group collapsed in 1987, Alberta taxpayers ended up losing some \$125 million. The fallout was severe. A prominent cabinet minister was fired by the Premier, and disillusioned with this government, she eventually resigned her seat. Now, given that the NovAtel fiasco is much larger than the Principal fiasco, will the Premier now ask the Minister of Technology, Research and Telecommunications to step down?

MR. GETTY: Mr. Speaker, could I have 30 minutes or something to consider it?

Mr. Speaker, the hon. Leader of the Opposition – and I really believe that he knows the facts. The matter was something that was started in 1983, as I've already said. It was a creation of the private sector and the AGT Commission. It operated under a previous government and then under AGT. When the government took possession of it, it immediately put in place a management team to find out all the financial facts, to find out all the opera-

tions, to review the technology. Then the government said: we want this company to be either profitable and expanding, or if it's going to lose money, we're going to shut it down or we're going to sell it. The minister was responsible for putting those matters in place. We have had a recommendation from the management committee, and we have followed through on it.

In addition, we have asked the Provincial Auditor under special duties in the Auditor General Act to look at the entire matter of NovAtel and to make a public report on it. Plus, Mr. Speaker, we're devoting the whole morning and part of the afternoon to the discussion during the minister's estimates, if the members want it that way. I can't . . .

MR. SPEAKER: Thank you, hon. Premier. [interjection] Thank you.

MR. MARTIN: Well, Mr. Speaker, losing over half a billion dollars is not funny. The unemployed are not going to find it funny. People in health care are not going to find it funny. People in education are not going to find it funny, Mr. Premier.

Mr. Speaker, the Premier says that he judges his cabinet by performance. My question to the Premier: what does it take to get fired around here? Obviously, losing half a billion dollars won't do it. Is it a billion, two billion? Just what does it take?

MR. GETTY: Well, Mr. Speaker, I've just described for the hon. member the minister's responsibilities with NovAtel, and if he refuses to listen to the answer, I can't help him any further.

MR. DECORE: Mr. Speaker, yesterday the Getty government bragged about the tax saving that Albertans would have under this most recent budget, a tax saving of some \$46 for every taxpayer. Yesterday the taxpayers of Alberta learned that every Albertan is going to be saddled with a \$217 debt to pay for the mismanagement of NovAtel. Now, this is reverse Robin Hood economics, and it's got to stop, Mr. Premier. So must the government stop manipulating rules, and so must it stop refusing to answer questions in this Legislature to try to get away and hide and cover up and soft-pedal issues.

#### **Speaker's Ruling Insisting on Answers**

MR. SPEAKER: Order please, hon. member. Two days ago you were called to order for twice violating that rule within the same question period. Now, please get on without the comments about the answers in debate in question period.

#### **NovAtel Communications Ltd. (continued)**

MR. DECORE: Will the Premier, without hiding, without manipulating, without running for cover to an Auditor General, tell the people of Alberta exactly which budgets are going to have to pick up the losses from this huge NovAtel loss of \$566 million? Where's it going to go?

MR. GETTY: Well, Mr. Speaker, the hon. member was in the House yesterday, and I assume that when he's here he is paying attention and listening. The Provincial Treasurer dealt with that exact matter yesterday.

I don't think the hon. member should in any way preface his question with those kinds of foolish, ridiculous remarks about the government not wanting to deal with this in an open manner. As

a matter of fact, I've listened with some interest when members of the Liberal Party have suggested more ways in which the Auditor General can participate, and we have asked the Auditor General to perform a special duty here at the request of the chairman of Executive Council. Obviously, Mr. Speaker, you would not want me to read the entire letter here in question period, but it gives him full rein to make sure that he looks at everything with the NovAtel matter and then makes the report public.

Also, Mr. Speaker, we are devoting, presumably, all of this session today so that the minister can deal with the matters having to do with the company. Now, it's an absolute distortion by the leader of the Liberal Party to say in any way that something is being hidden here.

MR. DECORE: Mr. Speaker, the Treasurer informed this House yesterday that some \$350 million has already been accounted for in previous budgets. He leaves this Assembly and goes and says that there will have to be an adjustment in some of the budgets to take care of the loss. All I'm asking, Mr. Premier, is: tell us where those adjustments are going to go. In which budgets are we going to see this \$566 million accounted for?

MR. GETTY: Again, Mr. Speaker, the member only has to look at *Hansard*, and it was just yesterday. Now, I know the hon. member has trouble with the rules of the House and has told people outside that he doesn't do well in here. Well, if he learns the rules, perhaps it will help him.

Now, there's no question in my mind, if he reviews *Hansard*, that the Provincial Treasurer went through in some detail as to the handling of these dollars.

MR. DECORE: Mr. Speaker, this is the grand master of manipulation and hiding when it comes to questions that need to be answered in this Assembly.

#### **Speaker's Ruling Reflections on a Member**

MR. SPEAKER: Forgive me, hon. member. [interjection] Order please, hon. member. The Chair was not quite certain whether those remarks were directed personally at an individual or at a group entity. If they're directed at an individual, then, hon. member . . .

MR. DECORE: Collective members.

MR. SPEAKER: Order. . . . you will stand and apologize and withdraw the remarks.

MR. TAYLOR: For calling somebody a grand master?

MR. SPEAKER: Order please, hon. Member for Westlock-Sturgeon.

MR. TAYLOR: What the hell's wrong with it?

MR. SPEAKER: Order.  
Edmonton-Glengarry.

MR. DECORE: Mr. Speaker, my comments were collective in the sense that I was referring to the whole of the government and particularly the cabinet for manipulating and not providing the kind of answers and leadership that are required in this Assembly.

**NovAtel Communications Ltd.***(continued)*

MR. DECORE: Mr. Speaker, I want to pick up on something that the Leader of the Opposition said. It's time for some leadership, Mr. Premier. When people in the private sector mismanage something as horribly, as totally as the minister responsible for telecommunications has or mismanage the economy in the way that the Treasurer has, they're out. They're fired. It's time, Mr. Premier, to show some leadership and fire two ministers. I want to know when you're going to do it.

MR. GETTY: Well, again, Mr. Speaker, we would certainly not do it based on the kinds of distortions that the hon. member continues to present to the House, and frankly I feel badly for him, that he's unable to participate in this Assembly with the kind of debate that brings credit to the Assembly. I understand that he is not able to adjust to it, but frankly, he's no longer back trying to administer the city of Edmonton. I mean, he did enough damage there that we're still trying to cover for.

MR. SPEAKER: Thank you, hon. Premier. [interjections] Order please. [interjections] Order please.  
Pincher Creek-Crowsnest.

10:30

**Oldman River Dam**

MR. BRADLEY: Mr. Speaker, in light of the federal government's rejection of the federal EARP's recommendation to decommission the Oldman dam and in light of the strong support shown yesterday in southern Alberta by elected representatives, chambers of commerce, farmers, and citizens of southern Alberta for the need for the Oldman dam, its importance for a secure and dependable supply of water for southern Alberta to ensure quality of life and a sustainable economy, and in light of the severe drought conditions in southern Alberta, my question to the Minister of Public Works, Supply and Services: has the minister had any discussions with the chairman of the federal EARP regarding his recommendation to decommission the Oldman dam?

MR. KOWALSKI: Mr. Speaker, the answer to that question is no, I have not. Alberta of course welcomes and applauds the decision of the federal government yesterday in moving very quickly in rejecting the major recommendation of EARP. I would like to point out, however, that while I have not had a discussion with Mr. Bill Ross, who was the chairman of EARP, I did notice today in a paper called the *Calgary Herald* an article with the headline "Dam shutdown not crucial - panelist," and if I can believe what has been written, there is a quotation here:

"I don't have a great deal of difficulty with the rejection of our first recommendation," said Mr. Bill Ross.

Now, Mr. Ross is the chairman of EARP, and it would seem to me that it would be strange for him on the very day that his report is issued to basically say that he didn't have any difficulty with the rejection. One has to wonder what really the veracity was with the recommendation in the first place.

MR. BRADLEY: A supplementary question to the Minister of Public Works, Supply and Services: could the minister outline to the Assembly the government's intention regarding the balance of the federal EARP's recommendations?

MR. KOWALSKI: Mr. Speaker, we indicated publicly yesterday that of course we accepted the federal government's rejection of the major recommendation of decommissioning or tearing down

the dam. We also indicated that we welcomed the involvement of the federal government in being at the table with the government of Alberta and the Peigan Nation to work towards a resolution of the concerns that have been identified in the past and reiterated yesterday.

Mr. Speaker, over the last number of years we have provided on two occasions substantial dollars to the Peigan Nation: \$250,000 at one time to assist them in evaluating the actual siting of the Oldman River dam, and secondly, in 1986 we provided them \$750,000 unconditionally to allow the Peigan Nation to undertake a series of environmental assessments and studies. Those dollars were allocated as a result of an intervention by the Premier and an intervention by the then minister of the Environment, and I repeat: they were provided unconditionally to the Peigan Nation. In the past we have created five different committees to sit down to discuss various matters with respect to the Peigan Nation. The federal announcement yesterday has asked to have two committees instead of five. We've agreed to that. We think that's very positive. We would welcome the federal government being at the table. Responsibility for native affairs in Canada rests with the federal government. We think that's very important.

In respect to the other recommendations in the report, we've indicated publicly that we either have worked towards a resolution of them, are working towards a resolution of them, or will work towards a further resolution of them, Mr. Speaker.

MR. SPEAKER: Calgary-Mountain View.

**NovAtel Communications Ltd.***(continued)*

MR. HAWKESWORTH: Thank you, Mr. Speaker. Yesterday the minister for technology and the Provincial Treasurer presented taxpayers of Alberta with a bill for \$566 million. Then the minister of technology had the audacity to say and I quote: the government made all "the right decisions." I can't imagine a single reasonable person in Alberta that would agree that losing \$566 million came from making all the right decisions. Given that the \$566 million that this government has lost represents for a family of four almost a thousand dollars, does the Premier stand by his minister's statement, and is he satisfied that all the right decisions have been made?

MR. GETTY: Well, Mr. Speaker, I've already laid out for the hon. members the process that the government has gone through, and I'll say again for the hon. member that he consider the facts. This company was started in 1983. The company operated under AGT Commission and Nova. It then came back to AGT, and the government's responsibility for it occurred when we took it back out of the Telus offering to protect the integrity of that Telus privatization. Then we set in place an evaluation of the company financially, technically, and if the company was not sound, it was to be closed or sold or become profitable. Under that investigation the minister got the recommendation from the management committee that it was to be sold, and the company was sold. Now the minister has announced it. The minister's available to discuss all the ramifications of it.

With your indulgence, Mr. Speaker, because the members seem to be inferring that there is not an open assessment of this going on, I think I'm going to have to read the letter that was written to the Provincial Auditor, because it follows on the matter that the member is referring to. It's an evaluation of the facts and the decisions that were taken. Here's what the letter says.

### Speaker's Ruling Reading from Documents

MR. SPEAKER: Thank you, hon. Premier. I know the matter was tabled yesterday. It's now a public document of record. We'll see if perhaps an excerpt might come in terms of a supplementary. I don't know, but I really cannot allow the whole letter to be read.

Thank you.

Calgary-Mountain View.

### NovAtel Communications Ltd. (continued)

MR. HAWKESWORTH: Thank you, Mr. Speaker. All I'm inferring is that the people of Alberta will not believe or accept or trust a government that is not prepared to do something to indicate that they take responsibility and accountability for this loss. This government has presided over a series of financial disasters unprecedented in Canadian political history, from NovAtel to Principal to MagCan, Pocklington, and Gainers, and the list goes on and on. In all cases Albertans were told that they were well secured.

Well, Mr. Speaker, the spotlight's on the Premier and his leadership. Given this incredible record of betrayal of the Alberta taxpayers, what leadership will we now get from this Premier? What actions will he now take to restore public confidence in him and in his government?

MR. GETTY: Well, Mr. Speaker, perhaps the hon. member has written questions and doesn't pay any attention to the answers, because for two days now we have dealt with the matters the hon. member is raising. The government has placed all the facts in front of the people of Alberta and asked for an independent assessment as well. Now the minister is here in the Legislature among all the elected representatives, and we are asking the hon. members to take the day, if they like, to discuss the matter with the minister. I can't think of a more full and open way of dealing with something, and I know that the people of Alberta are going to consider it that way themselves.

MR. SPEAKER: Edmonton-Gold Bar.

### Women's Shelters

MRS. HEWES: Thank you, Mr. Speaker. We keep warning the government that they need to address the critical need for women's shelters and other family violence programs in Alberta's smaller centres. Any delay will cause great harm and suffering. Well, unfortunately our worst predictions are coming true with the news that next week the satellite shelter in Fairview will be forced to shut down. My questions are to the Minister of Family and Social Services. The minister knows that Fairview's going to be forced to close because of a \$15,000 shortfall. You know, \$500 million here, \$15,000 needed there. Will the minister now undertake to keep this shelter open?

10:40

MR. OLDRING: Mr. Speaker, the Member for Edmonton-Gold Bar knows that we have had substantive expansion in our women's shelters program here in the province of Alberta, that not too long ago we opened six new satellite facilities, of which Fairview was one. It's run into some rather unique circumstances in the Fairview shelter in particular. I might point out that the other satellite shelters haven't had the same problems or the same

circumstances, but I can say that obviously we're working very closely with the good people at the Fairview satellite shelter. Last year we did provide some additional one-time funds because of the circumstances they're in, and I can say that we are actively working with them at this time to make sure that we come up with an appropriate and effective solution to their interim problem.

MRS. HEWES: Mr. Speaker, part of the unique circumstances is that the Peace River social services office has stopped operating a suboffice in Fairview, and the shelter is the only place for people in crisis to go as well as for information about your other programs, Mr. Minister. Where does the minister want those people who need help to go? Tell them where you want them to go or keep that shelter open.

MR. OLDRING: Well, Mr. Speaker, again, as is so often the way, they don't listen to the response. I told the member that we are working right now with those folks to make sure that there's an appropriate solution found.

Mr. Speaker, I might again say that I've had the opportunity of joining the member from Fairview and working with the community to resolve the outstanding issues that are there. I've visited the shelter personally. I've talked to the operator. We're very committed to working with them to make sure those needs are being met, and we're going to continue to do that. I don't think that the member can ask for any more than that. We are going to make sure that the services that are required are there. We've done that.

Again, Mr. Speaker, I'd want to point out that satellite shelters are a new and innovative way that we have found to respond to the crises that are facing women today. We are undergoing a process that is going to help us to evaluate long-term needs, to be able to project appropriate budgets and appropriate funding levels, but it's a new initiative, Mr. Speaker, and obviously there are going to be changes and adjustments that are going to be required to be made along the way. We're committed to doing that. We're committed to continue to work with them, and we'll make sure those facilities are kept open.

MR. SPEAKER: Banff-Cochrane, followed by Edmonton-Jasper Place.

### Federal/Provincial Tourism Agreement

MR. EVANS: Thank you, Mr. Speaker. Tourism is a very important part of Alberta's economy, and while the Canada/Alberta tourism agreement has ended, recently the Minister of Tourism, Parks and Recreation announced a new four-year, \$10 million joint Canada/Alberta agreement on tourism. My question to the minister: does this new program indicate some shortcomings in the Canada/Alberta tourism agreement?

MR. SPARROW: No, Mr. Speaker. The Canada tourism agreement known as CATA was very a very successful program. It primarily had an influence on and was directed towards the restoration and improvement of tourism facilities, a capital program, an application-based program, and it did do that. Some \$48 million were spent over the five years, and it leveraged some \$308 million worth of capital development.

The new agreement is part and parcel, Mr. Speaker, of the western economic partnership agreements that were announced in the budget. There are some eight agreements, all under the Department of Economic Development and Trade, whereby the federal government is putting up \$60 million and the province is

putting up \$60 million over four years to create economic diversification within the province. Very definitely, this new agreement is specializing in marketing in tourism. The western diversification program, the regular program, is still available to do development opportunities similar to the old Canada/Alberta agreement.

MR. SPEAKER: The Member for Banff-Cochrane.

MR. EVANS: Thank you, Mr. Speaker. The tourism industry is very much directed by the industry itself in the province of Alberta. I would ask the minister whether the new program will be identifying markets that can be utilized through this new program through the industry or through governments. Which will direct and identify these new markets?

MR. SPARROW: Mr. Speaker, we've worked very closely with the industry. As the member has said, we've taken the approach right along that tourism is teamwork, and this agreement will follow that philosophy. It's an agreement and a partnership between the federal government, ourselves, and the industry. We've done a five-year strategy with the industry, identifying which markets we should be expanding and which markets we should be emerging into. The private sector definitely will have a big influence on where these dollars are spent.

I would like to add, Mr. Speaker, that not only have we done a five-year strategy, but both the federal government and ourselves have reorganized our departments on a market-by-market basis so we have marketing teams available in each of the international markets – Europe, the Pacific Rim, and North America – being identified with this agreement.

### Oldman River Dam

(continued)

MR. McINNIS: Mr. Speaker, the cost of the Oldman River dam in actual dollars spent is probably closer to \$500 million than the \$300 million-odd the minister quotes in 1986 dollars. The federal environmental assessment report released yesterday has some rather scathing comments about the bogus cost/benefit analysis that the government used to justify the project. It didn't follow generally accepted guidelines. They used an arbitrary and politically convenient discount rate. They failed to consider alternative investments, including the option of leaving the tax dollars in people's pockets. You know, my constituents have to work and pay taxes for a whole year, every family, to pay the interest on the money they borrowed for that thing. They failed to distinguish between economic efficiency and regional income benefits. I'd like to ask the Minister of Public Works, Supply and Services why, from the sanctity of his perch as a minister of the Crown, he would put such false and misleading information out to the public.

MR. KOWALSKI: Mr. Speaker, we've had numerous debates in this Assembly, going back to 1986, with respect to the cost benefits and the cost/benefit analysis of the Oldman River dam. The hon. gentleman's predecessor, who's no longer in the House, consistently raised that kind of question, and *Hansard* will show that we've definitely answered all of those questions in the years gone by.

The bottom line of it all, Mr. Speaker, is that the analysis that was done by an independent cost/benefit analyzer a number of years ago indicated that for each dollar invested in the Oldman River dam, there would be \$2.17 in return, and that was only in

terms of the benefits of the dam in providing a steady supply of water to some 50 communities in southern Alberta, the opportunity for those communities to make sure that their schools were in operation, that their hospitals were in operation, to assist industry to develop and expand and grow in southern Alberta, to assist the modest numbers of irrigation acreages that were brought into the system. What was not factored in to that cost/benefit analysis would be the positive impacts on tourism, recreation, and other actions in the south. If they would have been factored in, in fact the benefit would have grown from a \$2.17 return for each dollar invested to something much higher than that.

It's rather suspect to have this kind of questioning again. We've defended it, explained it on numerous occasions, Mr. Speaker. The most recent opportunity that I had to do it in the Assembly was last Tuesday night, when the estimates of the Minister of Public Works, Supply and Services were before the Assembly, and the member's colleagues literally spent two hours talking about means testing for *pari-mutuel* . . .

MR. SPEAKER: Thank you.  
Supplementary.

MR. McINNIS: This is the independent report, and it says that your hired guns cooked the books. That's what it says. It also says that we can't do anything about the fact that you've spent the money on the dam; that's sunk cost. My voters have to work and pay taxes every year and can't do anything about it. What it says on page 31 is that even if you treat it as sunk cost – that is, you know, that the capital cost is zero – the benefit/cost ratio is still negative. The costs outweigh the benefits even if the dam were free. My question is quite simply this: how can this government justify a project that doesn't pay its own way even if it were free?

MR. KOWALSKI: Mr. Speaker, there have been decades and decades of review with respect to this whole matter. It's very, very clear to me and very clear to anybody who lives in southern Alberta. Again I wish the Member for Edmonton-Jasper Place would accept the invitation extended to him yesterday by my colleague the Minister of the Environment to go down to southern Alberta and see what the impact of the water is.

Mr. Speaker, this is a public investment that will provide a secure supply of water to nearly a quarter of a million people in some 50 different communities. How does the hon. member factor a realization that if there's no water, there are no people and there's no life? You have to evaluate that. What happens if there is no water? There is no wildlife. If there is no water, there is no fauna. If there is no water, there's no other industrial activity that goes. There is a return of \$2.17 . . .

MR. SPEAKER: Thank you. [interjection] Thank you.  
[interjection] Thank you.  
Edmonton-Avonmore.

10:50

### Child Prostitution

MS M. LAING: Thank you, Mr. Speaker. My questions are to the Minister of Family and Social Services. Children move into street prostitution because they have no alternatives. Most leave dysfunctional and abusive homes for their own protection and survival, but there is nobody to provide healthy alternatives and support for them. Therefore, they are not only victims of their homes but also victims of a system that fails to address their needs. Until we start to address the victimization, we'll have increasing numbers of children as prostitutes on our streets. My

question: will the minister now commit to put in place supports and assistance that children can access before they turn to the streets?

MR. OLDRING: Mr. Speaker, we have a child welfare system in place in this province backed up by close to \$160 million worth of financial resources, backed up by a partnership of concerned municipalities, concerned community agencies right across this province. We are all working very co-operatively. We're working together. We are reaching out in every way that we can to help children that are at risk, to help young women that are at risk. We offer them an exhaustive support system. We're constantly trying to improve on that. We're constantly trying to refine it and make it even better. I have to say that we have a good system in place in this province. We have very committed workers in place in this province. We have very committed community agencies working in partnership with us in this province. We are doing all that we can.

MS M. LAING: Well, Mr. Speaker, there are three federal and provincial studies that castigate social services departments for failing children who have been sexually abused who then turn to the street.

My second question is to the Solicitor General. Mr. Speaker, impaired drivers are made to deal with the consequences of their actions by meeting with their victims and/or their families. In the same way, johns need to see the impact of their behaviour on their victims, whom we call prostitutes, and the roles they play in perpetuating their victimization. Will the minister now commit to developing and implementing programs in which convicted johns meet with the adult survivors of child sexual abuse as well as learning to deal with their own issues of power and violence, intimacy and sexuality?

DR. WEST: Mr. Speaker, in the criminal justice system, on this issue as well as many other issues, our police forces along with our municipal bodies and elected people, the Attorney General's department, the courts, and all others in our society have a role to play in this very serious crime. As I say, I will take forward your comments and your concerns as I have discussions within the criminal justice system.

MR. SPEAKER: Westlock-Sturgeon.

#### Lottery Job Applications

MR. TAYLOR: Thank you, Mr. Speaker. On May 7 I brought up in the House and it was admitted by the minister for lotteries that his office was acting as a repository for job applications to be passed on to the ticket printer. On May 8 I brought it up to the Premier and asked whether he thought the practice of a cabinet minister using his office as a repository for job applications was proper. The Premier said that he would like to think about it. It's now 14 days, or two weeks, since that time. Could I ask the Premier now whether he has made up his mind as to whether it is proper to take application forms?

MR. GETTY: Mr. Speaker, what I did was review the hon. member's questions and review the discussion in the Legislature through *Hansard* and found that it had been dealt with very adequately.

MR. TAYLOR: Mr. Speaker, fearing such an answer, I'd like to file with the House three copies of a letter to the office of the Ethics Commissioner asking about the practice.

I go on to the second question then. If the minister feels that it's been dealt with, could he answer the second question that he dodged at that time: did his office act as a repository for application forms for jobs for the lottery fund head office in Stettler?

MR. GETTY: Mr. Speaker, what I would try to do is help Albertans in every way possible.

MR. SPEAKER: Cardston.

#### Agricultural Trade

MR. ADY: Thank you, Mr. Speaker. My question is to the Minister of Agriculture. Farmers in our province and in our whole country have suffered with low cereal grain prices in recent years. Primarily this has been due to the subsidy war that's gone on between the European Community and the United States. Meetings under the GATT have been ongoing for over five years without success. Yesterday the European Community announced that they would be reducing their grain subsidies dramatically. Does the minister anticipate that the United States will follow suit and that this initiative by the EC will open the way for a GATT agreement?

MR. ISLEY: Mr. Speaker, the agreement apparently reached in the European Economic Community yesterday to reduce the cap by the extent that they're proposing could in our judgment lead to an even better GATT agreement than the Dunkel proposal of December 20, 1991. When you look at a proposal coming from the European Economic Community of 29 and 30 percent reductions on cereal grains, that's significantly above the 20 percent in the Dunkel text. That certainly puts the pressure on the Americans now to meet those terms, and I would anticipate a political breakthrough in the next month.

MR. ADY: Thank you. Mr. Speaker, to the minister. During the recent GATT negotiations there's been considerable pressure for Canada to reduce or dismantle their agricultural supply management system. Can the minister give us some indication of how far Canada will have to go with changes to our supply management system to get an agreement under GATT?

MR. ISLEY: I think it's fair to say, Mr. Speaker, that in spite of continual lobbying to strengthen and clarify article 11, Canada still has no more friends at the table than they had five years ago. I would suspect that the GATT agreement that unfolds will undoubtedly lead to tariffication without exception. We've had considerable discussion with our supply-managed commodity groups to explore with them the impact of tariffication on our dairy and our feather industries. I think we've given them the assurances that changes will be gradual, and we're prepared to work hand in hand with them to get through that period of adjustment. What may disappear is the supply-managed structure as a management tool. I think there are ways of mitigating the concern so that the industries themselves of dairy and feather will survive.

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

HON. MEMBERS: Agreed.



MR. SPEAKER: Opposed?

In this order: the Leader of the Opposition, followed by the Attorney General, then the Associate Minister of Agriculture.

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

MR. MARTIN: Thank you, Mr. Speaker. We have another very distinguished guest in your gallery, Mr. Speaker. It gives me a great deal of pleasure to introduce Gary Doer, Leader of the Opposition from Manitoba. I'd ask him to stand and receive the warm welcome of the Assembly.

11:00

MRS. McCLELLAN: Mr. Speaker, it's certainly my pleasure today to introduce to you and through you to members of the Assembly 30 grade 5 students from Coronation school in my constituency. They're accompanied by their teachers Mr. Tony Selzler and Miss Donna Tupper and parent helpers Shirley Shoemaker, Brenda Smith, Joanne Dyck, Joanne Barclay, and their faithful bus drivers Gerald Lang and Melanie Robertson. They're seated in the members' gallery, and I would ask that they rise and receive the very warm welcome of this Assembly.

MR. SPEAKER: The Member for Banff-Cochrane.

MR. EVANS: Thank you, Mr. Speaker. I'm delighted today to have the opportunity to introduce 73 grade 7 students from the Springbank middle school in Banff-Cochrane constituency. They're all members of the Springbank middle school band. They're all nattily dressed in their blue and gray school band uniforms. They've been traveling since Wednesday, performed two concerts yesterday, and after a trip to West Edmonton Mall will be returning to beautiful Banff-Cochrane constituency later on this afternoon. They're accompanied by teachers Pat Worthington, Moira Harlton, and Marlene Joseph as well as parents Barb Woodruffe, Pattie Copithorne, and Jerry Angevine as well as their two bus drivers. They're seated in both the public and the members' galleries. I'd now ask them to all rise and receive the traditional warm welcome from the Assembly.

MR. ROSTAD: Mr. Speaker, it's my pleasure today to introduce to you and through you to the Assembly 19 bright grade 10 students from New Sarepta, the home of the New Sarepta Tire and Girdle Company. They are accompanied today by their teacher Roberta Hay and the driver Alfred Schlender. They're seated in the members' gallery. I'd ask that they rise and receive the warm welcome of the Assembly and extend an invitation to all members to drop out and visit the tire and girdle company.

**Point of Order**  
**Anticipation**

MR. SPEAKER: There are some points of order arising from question period, I understand.

MR. MARTIN: Mr. Speaker, I believe that you ruled my first question in the second set of questions out of order, and you quoted, I believe, 409(12) where it says, "Questions should not anticipate a debate scheduled for the day, but should be reserved for the debate." As I recall my first question, we talked about losing \$566 million. My question was very direct: who's responsible for this fiasco? We were talking about performance. If you go on to 410, later on it says: "The Speaker put forth further views in light of more recent conditions and precedents.

It was observed that . . ." I move to (14) there: "Questions should not anticipate an Order of the Day although this does not apply to the budget process." Clearly, we were talking about who is responsible for losing \$566 million. It applies to the budget process.

Thank you.

MR. SPEAKER: Thank you, hon. member, and I think because this is related, Edmonton-Glengarry.

MR. DECORE: Mr. Speaker, my point is exactly the same. We've seen this happen before in this Assembly where the Speaker stands and warns hon. members that the rule of anticipation will stop questions if in fact the budget process is going to involve that particular minister or a subject matter that the minister could deal with in the budget process.

There are two sections in *Beauchesne*. The Leader of the Opposition has referred to both of them. The one that you have quoted is 409(12). It says, "Questions should not anticipate a debate scheduled for the day, but should be reserved for the debate."

I think what is most interesting when you look at *Beauchesne* is to see that the reference here is a *Journals* reference; I presume a *Journals* reference meaning the House of Commons of Canada. It's dated April 14, 1975. Now, *Beauchesne* 410, and I want to read the first sentence of that section, says: "In 1986 the Speaker put forth further views in light of more recent conditions and precedents. It was observed that . . ." Then the Speaker makes a ruling, 410(14), that I would like to read into the record that says as follows: "Questions should not anticipate an Order of the Day although this does not apply to the budget process." I interpret that as meaning that in spite of the fact that the government - and I say did manipulate - manipulated the process to put the estimates for the minister responsible for telecommunications on for this day in order to stop questions being put, and I admit, Mr. Speaker, that you gave much more latitude than I expected, I think that we need a clarification on this matter from the Speaker, and I think the clarification has to acknowledge that the 1986 rule now supersedes the 1975 position.

Mr. Speaker, I think that the overriding principle that applies to questions that are put during question period must be 408(1). It says, and I'd like to read that into the record, "Questions should be asked only in respect of matters of sufficient urgency and importance as to require an immediate answer." I can't think of anything more important than talking about and asking questions of a Premier and a Treasurer and anybody else that has to have questions put to them on a matter involving a loss of some \$566 million dollars. So we need clarification. We need the Speaker to rule on this matter so that we don't keep bumping into this problem as we go along.

MR. SPEAKER: Thank you.

MR. McINNIS: Perhaps for the guidance of the Chair, section 2 in our Standing Orders refers to the role of the Speaker in instances like this where contingencies are unprovided for: "Mr. Speaker shall base his decision on the usages and precedents of the Assembly and on parliamentary tradition." Now, it has been pointed out that the parliamentary tradition is to exempt budget matters from the rule of anticipation, but I think there's a much higher principle, and I'd refer to *Beauchesne* 410(5): "The primary purpose of the Question Period is the seeking of information and calling the Government to account." I think that must be the overriding principle from which all others are drawn, and

clearly several members felt there was an urgent need to seek information and to call the government to account. The problem has been observed that if a matter is set for budget debate, which is at the discretion of the government, they can avoid giving information and avoid accountability entirely by that simple device. I'm quite certain that those who built this place didn't want it to be that easy to escape the question of accountability. I think the Speaker in 1986 observed that as the primary purpose, so let us preserve the primary purpose when we make rules in this place.

MR. SPEAKER: Thank you.

Speaking to the point of order, Clover Bar.

MR. GESELL: Thank you, Mr. Speaker. In making your ruling on this point of order, I would like to bring to your attention *Beauchesne* 512(2), apart from the other citations that have been made in the House, and I'd like to just quote from it.

The rule against anticipation is that a matter must not be anticipated if it is contained in a more effective form of proceeding than the proceeding by which it is sought to be anticipated.

And it goes on.

Mr. Speaker, we are going to go into estimates of this particular department immediately following. I contend that that is a more effective forum to ask questions. [interjections]

#### **Speaker's Ruling Interrupting a Member**

MR. SPEAKER: No. Hon. members, please be fair. We have a Standing Order 13. [interjections] Order. I believe that that hon. member was quiet while others of you were making your points. The point is that all hon. members should be heard in silence. [interjections] All hon. members.

Clover Bar, please continue.

#### **Point of Order**

##### **Anticipation** (*continued*)

MR. GESELL: Mr. Speaker, all I'm asking you when you're ruling on this particular matter under our Standing Orders is that you take into consideration the effectiveness of those questions. I believe the debate that's scheduled later on today, as a matter of fact immediately following, will be much more effective in asking questions and holding the minister to account than a couple of questions that may be asked during question period in the House.

#### **11:10**

MRS. HEWES: I, too, refer to *Beauchesne* 512(2) and also *Beauchesne* 513(2). I hold a contrary view to the Member for Clover Bar. Citing the same section, Mr. Speaker, 512(2) clearly says, "contained in a more effective form of proceeding than the proceeding by which it is sought to be anticipated." Surely we all understand that during the debates on estimates we have an opportunity, yes, but a limited opportunity to get to ask questions of the minister involved. However, during question period we have the opportunity to question the Premier; we have the opportunity to question the Treasurer as well as the minister involved, all of whom have played a remarkable and a very dramatic role in this whole process. Therefore, there is no doubt in my mind that question period is probably in this case the more effective form of proceeding and dealing with the matter.

The same applies to 513(2), "Preference is given to the discussions which lead to the most effective result." It seems to me the same argument applies there.

MR. CARDINAL: You guys are wasting time.

MRS. HEWES: I'd rather waste time than money like you do.

MR. SPEAKER: It's unusual practice to be having a number of persons from one caucus speaking on a point of order, but the Chair will allow it in this case.

Edmonton-Whitemud.

MR. WICKMAN: Thank you, Mr. Speaker. Just a few words. Let me say first of all that I welcome the comments made by the Member for Clover Bar because it clearly allows us the opportunity to focus a bit on terms of effectiveness, weighing the question period versus the budget debate. How any member of this House could call a process where a minister of the Crown will get up, speak for half an hour, a member from the Official Opposition, a member from this caucus, and then that minister decides to respond to any questions – I cite, for example, the other day when we dealt with the Department of Public Works, Supply and Services and lotteries. That particular member chose not to respond to the main motion at all, just chose to allow the minister of consumer affairs . . .

MR. SPEAKER: Please. Speaking to this point. We're not going over plowed ground of the other night. Speaking to this point, please.

MR. WICKMAN: So, Mr. Speaker, to conclude on my point, I would ask that in your ruling you take into consideration very, very clearly the ineffectiveness of the budget process versus question period.

MR. SPEAKER: There are a number of issues to be dealt with, obviously. First, the Member for Edmonton-Glengarry during question period, and I assume during the heat of the moment, really left a mistaken impression when he said, and I quote, speaking to the Chair: "You only read half of the section in *Beauchesne*. Read the other half, sir." You were inaccurate, hon. member. [interjection] Order please. [interjection] Order please.

That's fine. That's not the moment to be doing that. [interjections] Hon. members, if you're very good at quoting the rules and saying, "Read them," then I trust that you will read them all.

Wait for the rest of it to occur, please.

Hon. members of course will be good enough to turn to Standing Order 23.

A member will be called to order by Mr. Speaker if that member:

- (e) anticipates, contrary to good parliamentary practice, any matter already on the Order Paper or on notice for consideration.

That's Standing Orders, and they take precedence with regard to what occurs.

The matters as raised by both the Leader of the Opposition and the Member for Edmonton-Glengarry are indeed correct. The Chair referred to only one part of *Beauchesne*, 409(12), I do believe. I'll find it so we have it absolutely accurate. Quote, 409(12): "Questions should not anticipate a debate scheduled for the day, but should be reserved for the debate."

The Chair also does indeed note the accuracy of Edmonton-Glengarry's comment that that was quoted from the *Journals* of April 14, 1975. Yes, it is accurate that the Chair did not go on to quote *Beauchesne* 410(14), because that's been ruled on a number of times in this particular House. That practice continues to be the practice of this House, and it was raised within this last

week to 10 days. I think most hon. members were in the House at that time when that ruling was again reaffirmed.

Now, the Chair would like to point out something else here, and it relates to that quoting of section 410 in *Beauchesne*. It says, "In 1986." Well, hon. members, you might be interested to know that this particular House, unlike other Houses in this country, is using the sixth edition of *Beauchesne*, and at last checking with the House of Commons they themselves were not using the sixth edition of *Beauchesne*, primarily because they did not have it in the two official languages. The Chair points out that the edition that we have been using for the life of this Legislature was printed in 1989. Now, it's very difficult for the practice of this House to suddenly adjust to 1986 when it didn't know what the practice was until 1989. Aside from all of that . . .

MR. MITCHELL: But it's 1992.

MR. SPEAKER: Order please, hon. member. You will do the courtesy of the House.

The practice of this Legislature, and it will be read into the record, is this. Speaker Johnston on February 11, 1935. Speaker Amerongen: March 19, 1974, March 18, 1974, March 9, 1976. Again, April 3, 1990, April 30, 1990, May 9, 1990, April 17, 1991, April 18, 1991, April 22, 1991, May 3, 1991, May 7, 1991. And to go back a little bit in time: August 11, 1986, April 20, 1988, June 14, 1988, June 12, 1989, July 21, 1989. The Chair is not about to reverse the decisions of this House. [interjections] Thank you hon. members; I'm quite certain that the House leaders might care to bring it to the attention of the Speaker when next we meet. That certainly would be quite in order, but in terms of today this is the way it still stands. Section 409(12) is in effect as are our standing orders.

The Chair would also point out that if hon. members are fair enough to look at what the record does say, the Chair granted a certain amount of leeway so certain aspects of the questions could be asked today. That also bears in mind the fact that hopefully we still will get around to dealing with a Standing Order 30 request. Then we will see whether or not it goes on from there in terms of the estimates of the department, and the minister being present I assume will be able to take whatever questions are directed to him in his responsibilities.

#### **Speaker's Ruling Reflections on Nonmembers**

MR. SPEAKER: The Chair would also like to point out that there was a certain unease with various comments, excessive language perhaps, by Edmonton-Jasper Place under 409(7), casting aspersions. [interjection] Order please.

A question must adhere to the proprieties of the House, in terms of inferences, imputing motives or casting aspersions upon persons within the House or out of it.

I know that Edmonton-Jasper Place - those comments rolled out today with respect to some officials in the Department of Public Works, Supplies and Services, but I'm sure that a little more caution might be held there. Again, sometimes that applies to other members in the heat of the moment as well.

#### **Speaker's Ruling Repetition**

MR. SPEAKER: Westlock-Sturgeon, with your line of questioning to the Premier at the end of question period, given the fact that the House had already dealt with the matter on a purported point of privilege, there is some unease about the first question that was asked by Westlock-Sturgeon.

Now then, the Leader of the Opposition, Standing Order 30.

#### **Request for Emergency Debate**

11:20

MR. MARTIN: Well, thank you, Mr. Speaker. Again I want to read into the record that pursuant to Standing Order 30 I wish to request leave to move to adjourn the ordinary business of the Assembly today to discuss a matter of urgent public importance, that being yesterday's announced sale by the Alberta government of NovAtel Communications Ltd. and the loss of \$566 million that the Alberta taxpayers have suffered as a result of this sale and the repurchase of NovAtel from Telus in January 1991.

Mr. Speaker, I know the argument that's going to be given against urgency, and we've had some of this debate already in the House. It's going to say that we can deal with it in estimates right after. Now, I suggest to you that this is urgent and pressing business for a number of reasons. Number one, we have lost over half a billion dollars, the biggest bamboozle in the history of this province, and we have not been able to deal with the minister in question period for two days since this has been announced. However we want to break it down, he did not make the announcement here in the Legislature, and we were unable to question him today. If we say that just questioning him in estimates is good enough, what sort of message are we sending out? Well, we're saying it's basically business as usual, that the minister will blather on probably an hour and then a couple of other people will get in and that's supposed to solve a half a billion dollar loss.

Now, Mr. Speaker, I want to put this in perspective about what's happening and why it is urgent. This is over half a billion dollars on top of eight consecutive deficits running up over \$15 billion when you take in the consolidated debt. We are in deep and serious trouble in this province economically and socially. Yesterday you had the Treasurer after question period saying that it looks like we're going to have to have more taxes for ordinary people. Now, if that's not urgent, what it will mean in the future if we don't get a handle on this is that we're going to have higher taxes for ordinary people with less services.

We have a government totally out of control, and we have to kick-start what's going on in this province. You can't walk away from half a billion dollars and say: "What? Me worry? It's not our fault. It's somebody else's fault." We haven't had access for two question periods to the minister responsible, and to say that we can do the job this afternoon in estimates, anybody that follows that knows this is nonsense.

I say to you, Mr. Speaker, that emergency debate on this issue would send a very serious message not only to the government. I might point out that it would be much more effective than estimates because you get a number of speakers in. The limit is 10 minutes. You can get a number of speakers on both sides of the House to debate this. Most importantly, the fact that we're having an emergency debate on this issue would send a very important message to the people of Alberta that we're taking our job in this Legislature seriously, that we're not just walking away from half a billion dollars and saying, "Oh, well; it's business as usual." This is a very serious, urgent matter.

MR. STEWART: Mr. Speaker, I wish to address a few remarks to the Standing Order 30 notice that the hon. Leader of the Opposition has given. I can assure the hon. leader that the very, very reason why these estimates were scheduled for today was to give that opportunity. The give-and-take of question period, with one question and two supplementals for members and two for the leader and so on, does not give the type of opportunity for debate of this very important matter. And it is an important matter; I agree with the Leader of the Opposition.

Vote 1 of my estimates deals with the ministerial responsibilities of this office. I am the minister of telecommunications. I will back away from no debate in respect to these matters, and the very reason we wanted those here at this time was to allow that opportunity, Mr. Speaker. There is full opportunity for members to speak as often as they want – if they wouldn't use so much time in the procedural matters already – and to give that opportunity to speak and to give the answers. To have that sort of an opportunity to fully disclose and be accountable is a very important thing. We don't step away from that one bit.

So, Mr. Speaker, while I recognize that the matter of determining urgency is in your area of jurisdiction, we want to proceed with the debate and to answer and be fully accountable as much as possible, and that's the very reason why we're here today.

MR. SPEAKER: Calgary-North West.

MR. BRUSEKER: Thank you, Mr. Speaker, speaking to the point of urgency, this is certainly the largest fiasco in terms of dollars and cents that this government has entered into, and the minister has just said, "Well, the urgency can be solved in debate on estimates." The truth of the matter is we know that our Standing Orders call for the day to end at 1 o'clock today, so presumably what the minister is saying is that the time we have before us today will be all that is necessary. I beg to differ.

MR. STEWART: Call me back.

SOME HON. MEMBERS: Call him back.

MR. SPEAKER: Order.

MR. BRUSEKER: It's always been the case that we close down at 1 o'clock.

MR. PASZKOWSKI: You know the rules.

MR. BRUSEKER: And you know the rules too, so shut up.

### **Speaker's Ruling Parliamentary Language**

MR. SPEAKER: Order, hon. member. This is not a school playground. Would you like to retract that broadcast statement that went to every member in this House or perhaps the Chair? Who were you speaking to?

MR. BRUSEKER: Specifically to the Member for Smoky River. It was inappropriate language, Mr. Speaker, and I withdraw the term.

Perhaps while we're talking about that, we should draw the hon. member's attention to 13(4): "When a member is speaking, no person shall interrupt that member, except to raise a point of order."

head: **Request for Emergency Debate**  
(continued)

MR. BRUSEKER: Speaking to the matter of urgency, we don't have sufficient time in this Legislature. We need time to deal with estimates, we need plenty of time to deal with this debate. Five hundred and sixty-six million dollars. In addition to that, the hon. minister has said there are still some \$400 million in loans out there. We don't know how secure those are. We don't know where we're going with those. There's a potential for more loss

as well. The minister has implied that the time we have for estimates is sufficient time, and I disagree. We need to have a debate, we need to have some answers come forward, and we need to have that debate today.

### **Speaker's Ruling Interrupting a Member**

MR. SPEAKER: Before I recognize anyone else, I am really intrigued that we have one pot calling the kettle black about Standing Order 13(4)(b). You know, I don't know. I agree, hon. members, that all members should pay attention to 13(4)(b). I mean, it would make for a very refreshing day. [interjections] I doubt if any day in this House is boring.

head: **Request for Emergency Debate**  
(continued)

MR. SPEAKER: Now the Chair recognizes Clover Bar, followed by Calgary-Mountain View, and that should probably be enough.

MR. GESELL: Mr. Speaker, for your consideration on the matter of urgency specifically, I would draw to your attention section 387 of *Beauchesne* and 390 specifically, where it says, "Urgency" within this rule does not apply to the matter itself, but means "urgency of debate", when the ordinary opportunities provided by the rules of the House do not permit the subject to be brought on early enough and the public interest demands that discussion take place immediately.

As soon as we've dealt with this matter, a discussion will proceed.

MR. HAWKESWORTH: Mr. Speaker, just a couple of brief comments. The minister himself has acknowledged that it is an urgent matter for debate, so then the question becomes how it is to be best handled, and to proceed. In the hour and a half or so that we would have left in terms of today's debate on Technology, Research and Telecommunications, the minister would be able to take up to half an hour to make his opening comments and up to that amount for the opposition critic, which would then give another half an hour for the minister to reply or another government member to intervene. That in effect could easily eliminate any participation whatsoever from the third party in this House. It would also mean that potentially as few as three members or perhaps even as few as two members could participate in the review of the Technology, Research and Telecommunications estimates, whereas the standing order provides for 10 minutes for each individual member. It would allow for a wide variety of debate from members from all corners of the House representing all corners of Alberta in terms of presenting their concerns and ideas and hopes in terms of the constituents that they represent.

So acknowledging that it is an urgent matter of debate, as the minister does, it seems to me that what is now the most appropriate way to proceed, then, is to ensure that the maximum number of members are going to be able to participate given the rules, and that's best ensured and guaranteed by Standing Order 30.

**11:30**

MR. SPEAKER: Well, the Chair has given this matter long and thoughtful consideration since receiving the notice about 5 o'clock yesterday afternoon. Again, the Chair has been very attentive to the words being uttered by hon. members, not only on this particular request for a Standing Order 30 but also bearing in mind what transpired in question period and also the points of order discussion after question period.

The Chair is also aware, as hon. members are aware too, that yesterday there was quite an opportunity for various questions –

I think there were about four, but I'd have to check the records – that were directed at the Provincial Treasurer in particular. So there was some opportunity during yesterday's question period for questions to be dealt with on an emergent basis. Certain documents were filed by the government and a letter towards the Auditor General which would indicate a willingness to have the matter fully dealt with at whatever the convenient time is.

The Chair is also concerned that the estimates for this afternoon were designated to be Technology, Research and Telecommunications, because that puts the House in an interesting or challenging situation as we went through this morning.

The Chair really believes that there's an assurance here that all hon. members are indeed keenly interested in the debate and the issue. The Chair has been of the mind that to have the minister's estimates immediately following whatever transpires here would seem to be a fairly valid forum for a wide-ranging discussion of issues and of course would have the opportunity at least in theory to deal with the whole spectrum of the elements and votes within Technology, Research and Telecommunications.

However, as an observer from afar of the proceedings of Committee of Supply, sometimes it does appear that certain members seem to take up all the time. In the space of about an hour and a half it could well be that we would only have three members participate in debate in Committee of Supply, and that does raise a certain concern in the mind of myself. Having listened attentively to concerns expressed about openness of debate on both sides, full opportunity, the matter that the House leader for the government, who also happens to be the Minister of Technology, Research and Telecommunications – the statement by that individual member of the House of great willingness to proceed with debate, the Chair has indeed gone through quite a process of examination. In spite of our attempts to try to keep question period indeed a place where the government can be fully accountable, in the public eye there could be a perception here that there would be some kind of closure taking place when in actual fact there is not if we just went forward to the matter of estimates.

The Chair is also cognizant of the fact that until Orders of the Day are called, television coverage would continue.

So in the interests of full public discussion, the Chair allows that the matter will proceed to the vote, and we will see what the House now determines.

Those in favour that the debate on the urgent matter shall proceed, please signify by saying aye.

SOME HON. MEMBERS: Aye.

MR. SPEAKER: Opposed?

I'm sorry; by the standing order you have to stand. Those in favour of the matter proceeding, please stand.

[Several members rose]

Opposed? [interjections] Order please. Before you start calling across the floor here, just a moment.

There was no objection. Standing Order 30:

(3) If Mr. Speaker rules in favour of the motion, he shall put the question, "Shall the debate on the urgent matter proceed?" to a vote of the Assembly.

(4) If objection is taken to the question, "Shall the debate on the urgent matter proceed?", Mr. Speaker requests those members who support the motion to rise in their places.

The Chair did not hear anyone in opposition to the matter proceeding. The Chair cannot make the assumption that it was unanimous, but there were no votes contrary.

The Chair recognizes that no members are standing, so there's not a division.

Therefore, the Leader of the Opposition.

head:

### Emergency Debate

#### NovAtel Communications Ltd.

MR. MARTIN: Thank you, Mr. Speaker. I understand that it was a difficult decision to make. Obviously I believe that you made the right one, because it is a very serious urgent matter.

The point I was trying to make . . .

MR. SPEAKER: Order please, in the Chamber and in the galleries.

MR. MARTIN: Thank you again, Mr. Speaker. As I said, I believe that we would have sent the wrong message if it had been business as usual, and I think you've recognized that.

Mr. Speaker, we have very, very serious problems in this province, yet we have a government that basically says: what, me worry? If I can go back to two years ago, the Treasurer came down and said: we have a balanced budget. They had no intention of having a balanced budget at that particular time, and later on we find out it's close to \$2 billion in deficit. Then this year – they love deficits; they say: what, me worry? – they have a deficit that even they project at \$2.3 billion, and it's probably growing.

What we've had is a series of calamities coming from this government: billions of dollars lost in terms of their waste and mismanagement of the economy, often because they got into bed, if you like, with their business friends and handed out money. We can go through them. As we mentioned earlier, Mr. Speaker, 36 companies have lost \$1.7 billion in ad hoc announcements.

We've had other events, the Principal affair being the most notable, where the government's waste and mismanagement has hurt the average taxpayer badly, but nothing compares to walking away from half a billion dollars. Knowing the Treasurer's estimates, Mr. Speaker, it will probably be much higher than that. That's what they acknowledge, and if we look back at their past record in terms of predicting the budgets, we know full well that it could likely end up more.

11:40

So here it is, Mr. Speaker. When we've run a deficit – we've had, as I mentioned earlier, eight consecutive deficits; consolidated debt totaling \$15.76 billion – here it is: another half a billion dollars because of their mismanagement.

I asked earlier today of the Premier: who is responsible for this? Does nobody ever take responsibility in this government for what's going on? Mr. Speaker, it doesn't seem to be the case. I asked the Premier. Well, it's not his fault. The Treasurer says it's not his fault, and the minister of technology says it's not his fault. How do these things happen? Half a billion dollars just disappears and nobody's responsible for it. This is unacceptable. The Treasurer said yesterday outside the House: well, if things keep going the way they are, we'll probably have tax hikes. These are the people who were berating other governments for trying to get ahold of their deficits, and now he's admitting that the same thing's going to happen here. I know they want to get through an election before that occurs, but the people of Alberta aren't going to allow them to do that.

Mr. Speaker, what this means: when you lose over half a billion dollars, somebody has to pick up the price for that. It doesn't matter when you take it off, in what year, that's half a

billion dollars more gone. It's gone, and it's because of this government's waste and mismanagement. That's the truth also. What happens in the future generations when we walk away from over half a billion dollars? Well, as I said, the Treasurer is already talking about taxes. It's going to mean a cutback. I know this government. They'll come back and say: "Well, we can't afford a decent health care system. We can't afford a decent educational system. We can't afford to help the poor. We can't afford to help the inner cities." So the tragedy of it is – it's not only that they're not owning up to it; that's a tragedy in itself – that it's not going to be them that pay; it's going to be all Albertans that pay down the way. That's what's so totally unacceptable about this.

Mr. Speaker, if I may go further. I said earlier today, and I think it's true, that the sale of AGT has been a total and absolute disaster. I think there were two things in play. This government knew they were in trouble. What have we got left that's worth anything? I don't know; maybe they'll be selling hospitals and parks and everything else they can get their hands on to deal with the deficit. They looked at Alberta Mortgage and Housing Corporation. You can't sell that; it's not worth anything. AOC: you can't sell that; it's not worth anything. The Agricultural Development Corporation: you can't sell that; it's not worth anything. What have we got that we can get some quick cash for? Well, there it is: AGT, which was a well-run company for 50-some years. So here's some quick cash we can get. Also, it works out well because it follows our ideology: we can keep the Reform element at bay; we can tell them, "Look we're privatizing." And here they did, but, you know, this government is so incompetent, they can't even privatize properly. So what we end up with is their selling off to private investors – you know, they're doing okay – all the profit-making parts of the telephone, and guess what we got back after they put out an erring prospectus? Things were a little bit out of whack there. What did we have left? Well, we got NovAtel, the one that's costing the taxpayers all the money.

So, Mr. Speaker, if you take a look at it, it's interesting. If you go through what they made selling off the Telus share offerings, and you take off the carrying costs on the installment shares, we made \$421 million on the two shares. Four hundred and twenty-one million. But contrast that with what we're going to lose. Even going by the government's figures, we're losing \$566 million. I want to stress that I don't necessarily believe that; I expect it will be a lot higher when we start to pay the bills.

So this brilliant government, this ideologically right-wing government can't even privatize. The taxpayers lose \$145 million. What do we have from this brilliant deal? Well, we sold off our assets – AGT's basically gone – and we did it for a loss. Now, that's some money management. Mr. Speaker, can you imagine any other government in Canada trying to walk away from this? We've sold off our assets. It's a bit like selling off your mortgage to pay off your credit cards. That's precisely what we've been doing here. The interesting thing is that as we sell them off, our deficit keeps rising at the same time: less assets, more deficits. Where does it end? What's the next bamboozle coming from this government? Mind you, there can't be many left, because we don't own anything. We've sold it all off.

The reality for us right here in 1992: people are going to look back at the Getty term and wonder how did we do it, how did we squander billions of dollars. "What did I get out of it? How did those deficits help me as an ordinary Albertan?" Those are the questions that people are asking. You know what they're going to look at, Mr. Speaker. They're going to look at the Principals, the MagCans, the Myriases, the GSRs, the Pocklingtons, and

they're especially going to look at NovAtel. They're going to say: "How could this happen? Five hundred and sixty-six billion dollars."

What's so absolutely appalling to me is that they don't take any blame for it. Yesterday the Treasurer said: you know, when the credit rating goes down and those sorts of things, it's somebody else's fault.

I guess I've had my 10 minutes. Thank you, Mr. Speaker.

### **Speaker's Ruling Speaking Order**

MR. SPEAKER: Before the Chair recognizes anyone at the moment, the Chair needs to point out that this is debate, and in the normal course of debate arguing pro and con on the sides of the issue, ordinarily one would go to this side of the House. At the moment, one does not see anyone on that side of the House; therefore, one recognizes someone from the Liberal Party who is standing there, the leader.

MR. DECORE: The name is Decore, sir, Edmonton-Glengarry, leader of the Liberal Party.

MR. SPEAKER: Order please, hon. member. Take your place, hon. member. Take your place.

Perhaps you weren't hearing correctly. The Chair went out of its way to try to recognize someone from the Liberal Party so that it would not see a second person from the New Democratic caucus. The Chair was attempting to be gracious. The Chair could not recognize who had been standing there, and certainly the Chair knows your name and what your constituency is.

The Chair recognizes Edmonton-Glengarry.

MR. DECORE: Mr. Speaker, I'm sure that you intended no harm. The comments that were made I think could have been interpreted in a very different way. With all due respect to the Speaker, this someone is the leader of the Liberal Party and has great pride in being the leader of the Liberal Party.

### **Speaker's Ruling Referring to a Leader by Constituency**

MR. SPEAKER: Thank you, Edmonton-Glengarry. Take your place.

In actual fact, in parliamentary practice members are only recognized as being from their constituency. It is also the parliamentary practice in the House of Commons. The members from third parties are recognized by their constituency. The designation in the House is by cabinet ministers and the departments that they have and to the official ranking of the Leader of the Official Opposition.

Edmonton-Glengarry, you may proceed in the debate, or else you will be ruled out of order and the next speaker will be Edmonton-Kingsway.

**11:50**

MR. DECORE: Am I recognized, Mr. Speaker?

### **Debate Continued**

MR. DECORE: Mr. Speaker, I wish to engage in the debate on this most serious of matters that affect the people of Alberta, a matter that has been treated in a most unusual, extraordinary way by the government; a cavalier way, a way in which I believe process has been manipulated. The minister shakes his head. We're entitled to draw that conclusion. When the minister runs

off to Calgary to make his announcement rather than facing the members of this Assembly yesterday as he should have, we're entitled to draw the conclusion we have that the process has been manipulated by switching budget review to allow for a review of the minister's estimates so that there could be some limitation on the questions that could be put to the minister and the government. That's manipulation. That's an indignity, Mr. Minister and members of this Assembly, to the people of Alberta, and that kind of indignity has to stop.

Mr. Speaker, we had the unusual circumstance of the Treasurer standing in this Assembly yesterday and laughing about this matter, leaving the Assembly and saying that it wasn't really his responsibility – he signs the cheques – treating the matter in a most cavalier way, providing cute answers to a problem the like we haven't seen in this province for – well, I don't think we've ever seen a problem like this before.

Mr. Speaker, in this budget year alone the Treasurer stands up and tells us that the deficit is \$2.3 billion. If you look at the other losses and add the \$300 million, it's \$2.6 billion. We've attempted to ask the Treasurer and again today the Premier exactly what this would mean in terms of the deficit for this year or the deficit last year, what this means in terms of the loss to Albertans. That answer hasn't been given, and that's manipulation. So when the government talks about being forthright in dealing with this matter, don't fool Albertans and don't fool members of this Assembly. You've not been forthright. If you were forthright, we would have known two weeks ago when this deal was cut, when an agreement in principle was made. Mr. Minister, it was made, and this matter was discussed in cabinet. Stand up and deny it later on, if you dare.

Mr. Speaker, being forthright means that a Treasurer and a minister come forward, and they say: "\$566 million is being lost. This is going to mean more debt. Here's the amount of debt that it's going to mean, and here's where we have to put the deficit loss last year and this year." It doesn't mean and it doesn't include and it shouldn't involve an Auditor General by attempting to use him to camouflage and hide . . . [interjection] Mr. Minister, would you like to repeat that for the Speaker?

Mr. Speaker, being forthright with Albertans means telling them the truth, not hiding things, not camouflaging things, and not putting things under the rug. Be forthright, Mr. Minister, when you stand up in this Assembly and tell us where these losses are going to go, how they're going to be recorded. Tell Albertans how much more debt from the \$15 billion that the Auditor General identifies will be on their heads. Tell us that when you stand up. Be forthright with us.

Mr. Minister, I'm challenging you when you stand and speak to this matter. I'm challenging the minister and I'm challenging the members of the government to stand up and tell us exactly what this means. If Moody's had known what happened, if they knew when they were doing their assessment that there was another \$566 million of deficit allocation coming, I think that the downgrading would have been much more serious. Mr. Minister, I'd like you to address that issue as well. What effect do you expect this to have when Standard and Poor's do their assessment, or when the Dominion Bond Rating people or the Canadian Bond Rating people do their assessments? What's it going to cost Albertans in the end when all of those assessments and downgradings come through? How much more are we going to have to pay for moneys that we've borrowed? How much more are we mortgaging the people, the children, and their children in this province? Be forthright. Tell us the truth.

Mr. Speaker, the matter of this issue is a matter involving a government that has played political games in the marketplace, a

government that has no difficulty in providing moneys to laundromats, no difficulty in providing moneys to one of the biggest corporations in the world to start a pulp and paper factory that sends the raw pulp to Japan to get processed, all the value-added being lost, a government that doesn't seem to have people that can do assessments and ministers that can make judgments as to how taxpayers' moneys should be invested. Be forthright with us. Tell us where the system has gone wrong. Is it your advisers that are making a mess of this thing, or is it you, Mr. Minister? Is it you and your colleagues that don't know how to make business decisions? Tell us that. Be forthright with us. Where has this whole system broken down, so that there are some \$2 billion in loan guarantees at risk, \$200 million lost last year? Where and why is the process continuing to break down?

What happens at that cabinet table when you sit down and make decisions on using taxpayers' money? Do you consult with the members of your caucus to find out whether ideas are good ideas? The Member for Little Bow who was recently elected to this Assembly campaigned on an issue of fiscal responsibility. How can he go back to his constituents and talk about fiscal responsibility? How can he do it? Do you allow that member to make some sort of input on the decisions that are being made that are losing hundreds of millions of dollars for Albertans? Be forthright with us, Mr. Minister, and tell us that.

MR. PASZKOWSKI: Where's your candidate?

MR. DECORE: Hon. member, our candidate will be here in the next general election, and you and a lot of your other colleagues won't be here. That's for sure.

Mr. Speaker, there is another issue that I think needs to be addressed, and it is with respect to last year's prospectus on the sale of AGT. Now, I think there is something fishy and phony that needs to be explained by the minister on that one.

MR. SPEAKER: Thank you, hon. member.

The Minister of Culture and Multiculturalism, followed by Edmonton-Kingsway.

MR. MAIN: Mr. Speaker, I'm pleased to take part in this debate today to try to put some perspective from the government's side of the House in this most troubling and serious matter. I could say without fear of contradiction that there is not one member of the government that is pleased that the province of Alberta finds itself in this particular situation. This is not a happy day. We're not pleased that Albertans and the government are facing losses of this amount, but let me make it clear that the government is doing everything within its power to bring full disclosure of this matter to the people of Alberta. I think it's critically important that that is well and completely understood. There will be nothing held back. There is no attempt to hide. There is no attempt, as the leader of the third party in this House has suggested, to manipulate the rules and the situation in order to hide anything. It's an enormously complex and difficult situation, and it takes a period of time for these matters to spill out.

Mr. Speaker, I believe the government and the Minister of Technology, Research and Telecommunications, the Premier, the Treasurer, the cabinet, the caucus, and our entire government machinery have done the best possible thing in an exceedingly difficult situation with regard to the NovAtel issue as it's come to be known. Our utmost concern here was for people, the people who were employed by NovAtel, for the jobs, not only present jobs but future jobs, and of course for money, and we're talking about a considerable amount of money.

12:00

It may be useful to recap government actions over the last two or three years with regard to NovAtel, with regard to people, with regard to jobs, with regard to technology, and with regard to money. You'll recall, Mr. Speaker, that the government was moving ahead with privatization of AGT. This was a large, worldwide operating company about to move into new areas of high technology requiring intense infusions of capital, intense infusions of money to remain competitive. It was impossible for the government to justify asking taxpayers to put that money in, so the effort to privatize was moved ahead.

One of the activities AGT had involved itself in over its years operating as an arm's-length Crown corporation was a partnership with Nova Corporation in a cellular phone operation. That was part of the deal and part of the privatization. It was included in the prospectus. But, Mr. Speaker, something went wrong there. One of the questions being asked of the Auditor General in his probe of this entire matter is to help us understand what went wrong, because it's not completely clear. We've done our investigations. We've looked. People have been disciplined and have been let go, but there are some questions outstanding. We're asking the Auditor General to provide us with those answers.

The government faced a difficult decision at that time: bring back the privatization and leave the government and the people in Alberta at risk with several billions of dollars in loan guarantees and several billions of dollars in potential capital expenditures, or fix what appeared to be a problem that required immediate attention. The fix was determined to be a removal of the NovAtel problem from the AGT issue. We did that. It cost money. It cost more money than we were happy to have to pay. Nevertheless, it was deemed to be a prudent expenditure in order to preserve the integrity of what we intended to do through the AGT privatization. The integrity of that privatization was obviously deemed to be more than adequate, because the first tranche of share issues sold exceedingly well, as did the second, and the government has realized enormous profits not only through direct sales but also in subsequent increases in values in shares that were held between the first and second tranche. I think by any measure the privatization of AGT exclusive of NovAtel would be an enormous success.

The question then is: what do we do with NovAtel? You heard the Premier during question period describe the actions taken by government again: prudent, realistic, and, in every sense of the matter, appropriate business actions. He's put in place a management committee, people of substance and significance who know something about dealing with private-sector matters in the high-tech realm. Three questions, three options: fix it, sell it, or kill it. Over a period of 12 to 15 months those three options were pursued with vigour around the world. Killing it was an option, but killing it removes a thousand jobs like that; killing it removes the technology, the high-tech opportunities for future jobs and future growth in Alberta like that: not viable options. I don't think any prudent businessperson, were he dealing in a company he himself owned, would make those decisions immediately overnight.

The best option was to sell it, and as I say, that option was pursued with vigour around the world. We come to today, where the option to sell has been executed. Moneys are coming back to the province. The technology remains in Alberta; in fact, it's enhanced. The jobs remain in Alberta; in fact, they are enhanced today and will be enhanced throughout the period of time. What we don't have, Mr. Speaker, is the realization of the full amount of funds we wished we had. There will be losses. They've been

identified time and time again here over the last few days and will continue to be identified. The exact cause of those losses, the full impact of them, and all the rest is a question we, too, want answers to. That is the reason for the Premier's letter to the Auditor General, and the Auditor General's probe will cover a wide waterfront of business, fiscal, technology, and money-related questions.

Mr. Speaker, that is what the government has done. Those are the facts of the matter. Now, they can be characterized in various fashions, and they will be and have been by members of the two opposition parties. We've heard the words "manipulation," "hiding," and "deceit," words that tend to leave the impression that the government is in fact hiding something here. Yesterday the Minister of Technology, Research and Telecommunications appeared by himself in public at a news conference, answering any questions any member of the media asked about this issue. The acting minister presented documents in this House revealing the sale. The Treasurer was here. The Premier was here yesterday answering any and all questions. Today we proposed that the minister present his estimates, another opportunity for full, complete discussion.

The opportunity to ask questions again was presented here, not by any unwillingness on the part of the government but, as Mr. Speaker has ruled and explained earlier today to the House, an inability under the rules of our House to proceed with direct questions to the minister. Yet the Premier – I heard him myself – answered an enormous number of questions directly pointed to this issue. We presented the opportunity for two or more hours of discussion directly related to the TRT estimates. The opposition chose to pursue an emergency debate. We are in that emergency debate right now, and, Mr. Speaker, you did not hear one member of the government object to that proceeding. In fact, we're glad that it's on. It provides us with the opportunity to speak directly to Albertans about the issues of the day. There's no suggestion that we're hiding anything, none whatsoever. The government remains accountable. We are accountable. We're accountable to the people who put us here, and we'll be asking them again sometime in the future to bring us back.

Mr. Speaker, we know there will be political pain. There will be questions asked in Edmonton-Parkallen, questions asked in Calgary-North Hill, and questions asked in Edmonton-Norwood, Edmonton-Glengarry, and each of the 83 constituencies about what happened. Our best effort is going forward to get the answers to those questions, because it's important. And not only are we all members of the Legislature; we are also taxpayers. We also have families and children who will be paying for these problems for years to come. We want to know the answers because some of them are not readily apparent, and it will take some considerable period of time to find them. But through the efforts of the minister, the efforts of the cabinet, and the efforts of the Auditor General, those answers will be produced, they will be forthcoming, and they will be presented in their totality to the people of Alberta.

Mr. Speaker, if there is a bright light here, if there is anything I could say that would put the best possible face on what admittedly is a grim situation, it is that continuing to operate in Alberta will be a high-technology industry that will continue to pursue research on a level that is not easily understood by many people. It's certainly not understood by me. Wireless technology moves ahead and provides us with telecommunications at a level we have not comprehended. Imagine a 20-storey office building with literally hundreds of telephones and not one inch of wire. That's the kind of technology we are going to be able to pursue in this province as the legacy of NovAtel. The ability of a world-based company, Northern Telecom, to continue to pursue a centre of



excellence in detailed research on this particular technology here in Alberta when it could have gone anywhere I think is a testimony to the hard work that was done to salvage remnants of the NovAtel situation. That's not entirely satisfactory. It would have been good to have the technology and the jobs and the money. But at least the jobs and the technology will remain in some fashion, Mr. Speaker. Granted, there will be some layoffs initially, but as the private sector rationalizes its future and looks ahead, I think if you would check back, say, five years from this date and count the numbers of people employed as a result of the activities in this sale, you would see them considerably more than they are today.

Mr. Speaker, as we look forward, we realize that Albertans are concerned, as we are, that this matter be resolved in an appropriate fashion, and I'm sure it will be.

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

MR. McEACHERN: Thank you, Mr. Speaker. The Minister of Technology, Research and Telecommunications should resign. I cannot believe that this day did not start with the Premier standing up and saying that he was dismissing this minister. It is absolutely incredible when you consider the record of this government and this minister. This minister has presided over an incredible variety of boondoggles: Myrias and GSR, \$20 million in one case and \$30 million in the next. Global Thermoelectric – was that one of yours or somebody else's? ChembioMed: \$50 million down the tube.

Mr. Speaker, this minister is now responsible for over half a billion dollars, one of the biggest boondoggles ever of this government. If the Premier isn't going to have this minister resign and blame it all on him like he did in the Principal affair with the Member for Three Hills, then maybe the Premier should resign. The Premier and the Treasurer have presided over seven deficit budgets in a row. They have stacked up a deficit that's far bigger than the heritage trust fund now. This province moved into the red a year ago in April.

Mr. Speaker, it's one thing after another. The Treasurer said he had a balanced budget last year, and anybody that's followed the books of this province over the last four or five years like we have on this side of the House knew that that deficit was going to be a billion to a billion and a half. The numbers were doctored in such a way as to make it look like it would be a balanced budget, and anybody could see it wasn't going to be if they just looked at the numbers. Because we had a little bit of an extra bad year, even the Treasurer has had to admit to a \$1.6 billion deficit. It will be \$2 billion on the budget side and 2 and a half billion on the consolidated side. It is absolutely scandalous that they've got the gall to stand up in this House and run that kind of government.

### 12:10

As to the NovAtel fiasco, it's only one in a long string, and it is the result of not just a fiasco in terms of economics but also a political ideology that said they had to privatize AGT. Now, that was a decision made by this government, by the Premier. The decision was made in 1988, and they didn't have the courage to tell the population in the 1989 election. They hid it from the population all during the election – in fact, denied they intended to sell it even though the decision was already made – and then did it in 1990.

The Liberal Party, which is now being more and more sanctimonious about this fiasco, was encouraging the government . . . They didn't encourage the government. What they did was say,

“Well, we're generally in favour of privatization, but you've got to prove to us that this is a good privatization.” That's what they said to the government. Now, we debated that Bill to privatize AGT for a couple of weeks and put up an incredible variety of arguments, found a lot of information, did a lot of research, loaded a lot of facts on the Order Paper and in the debate, and the minister had the weakest replies you could possibly imagine. Nobody else in the government had anything to say, and the Liberals were persuaded that “Golly, I guess we've got to privatize AGT.” Now they wonder why it happened.

It was a ridiculous move in the first place. It was a fire sale. The Member for Edmonton-Parkallen said somebody made some money out of this. The government made some money out of this. Let me just run through some of the costs of this privatization. There was a fire sale of shares for starters. The first offering of shares cost the taxpayers some \$800 million or \$900 million that was brought in. Only half of that was brought in in the first year. The other half wasn't collected until the next year. But did that stop the shareholders from getting profits on that year as if they had paid the full amount at the start? Oh, no, they got the profits just the same, \$1.33 per share. Wonderful for the shareholders.

What about the fact that you gave three shares for every two purchased to the employees? You had to make sure that of course the union didn't fight the privatization, right? That was all just a way of buying off the workers, when the leadership of the workers knew darn well it was a lousy deal for Albertans. Here we had a company that for 86 years had served Alberta well, a \$3 billion company that was making money, and it had this high-tech, high-risk subsidiary that was not doing all that badly until this government decided to privatize the whole mess. Then, of course, we can add to the cost I've just enumerated another \$32 million for the stockbrokers and the underwriters. Now, that was for only 56 percent of the shares. A year later they turned around and did the same thing with 44 percent of the shares, another whole set of costs that amounted to much the same kind of thing.

Another cost. What about the increase in the amount residential subscribers pay for their telephones in this province now? Some of it was done while the minister himself was fully in charge, between the time when the Public Utilities Board was ruled as not having jurisdiction to regulate AGT and the time when they actually privatized it. In those few months the minister raised the cost to small businesses and residential users of telephones in this province on a monthly basis. What's AGT been doing now that they've been privatized? They're bragging that they're going to be able to reduce long-distance rates. That's great for long-distance rates, but that also means they're going to raise residential rates. This minister stood up in this House all during the Bill debate and said that the people of Alberta will not be hurt by this.

Now, the excuse they used for the privatization was, of course, that the federal government through the Supreme Court decision of August of '89 had asserted their right to jurisdiction over the regulation of telecommunications in this country. So what does the minister do? He says, “Well, we were dead against that initially.” They were mad about that decision, but within a few months he changed his mind and said, “We'll use this as the excuse to implement the decision we'd already made back in 1988 of selling AGT.” So that's what they went and did. It's as if you're walking into the ring and you're going to be the champion of the people of Alberta. You're going to make sure you keep your jobs in AGT. You're going to make sure there are good residential and business rates for local people in this province, and you're the champion. The Minister of Technology, Research and Telecommunications walks into the ring and the federal government ties his right hand behind his back and says, “No, no, we're

going to regulate that." So what do the minister and the government do? They say, "Well, let's sell the company and tie our other hand behind our back and then walk into the ring and protect rural Albertans and residential Albertans."

This government has no say whatsoever anymore in what happens with AGT or what happens in the telecommunications industry. All they can tell the CRTC is that they should appoint somebody from Alberta so we've got some input. Well, big deal. What else can we do? Oh, we can go to some of the CRTC hearings and tell them what we think. The fact of the matter is that the Unitel application is going to go through, long distance rates are going to continue to go down, and this minister is going to be responsible for the fact that residential rates and rural rates go up and small business rates go up. Mr. Speaker, it's been a sellout right from the word go.

The Member for Edmonton-Parkallen said we're going to turn this over to the Auditor General and have a full and thorough investigation. Listen, this government has had NovAtel under a microscope for the last two years. They already know everything there is to know about it. The Auditor General could have presented a report yesterday. All the Premier is doing is putting forward this proposal about the Auditor General so we can wait three or four months until the House isn't sitting – or maybe a year and a half if you go at the rate the minister has released the last annual statements of NovAtel – before we get the details and the facts about what's wrong with the company. Really, there's not a heck of a lot left to say. The fact is we've lost \$566 million already and may lose some more because we've still got a \$240 million obligation to finish off some of the commitments of NovAtel that the government was not able to sell.

Mr. Speaker, the only beneficiaries of the government's policies have been the shareholders of Telus. The taxpayers, rural Albertans particularly, have lost jobs. We already lost 600 jobs before this recent sale; we're now going to lose another 300. If the minister had any sense of responsibility, he would resign. There is no way a government should be able to perpetrate on the people of this province the kind of boondoggles it has perpetrated with no accountability. We got a slight bit of accountability in the Principal affair. The minister had the courage to go to those hearings and say, "I don't recall, I don't recall, I don't remember" to make sure no mud was smeared on the Premier, who knew about the problems back in November of '85 but claimed he didn't until February of '87. It kept the dirt away from the former Treasurer and the former Premier of this province before this Premier took over.

MR. SPEAKER: Remember, hon. member, you're responsible for your words.

MR. DAY: Mr. Speaker, there's no question that we're into a matter of grave concern, a matter that quite appropriately is resting heavily on the minds of Albertans and also this Legislature. I think it's important that we put into context what has happened. It's important that we look at the chronology of events that led up to this and make decisions and judgments based on the facts of the matter and based on what has ensued over, really, a period of almost 10 years. If we can do the history on this just quickly, back as far as 1983 we see where AGT and Nova Corporation actually created NovAtel. The purpose was to supply and service the Aurora system. That was the original intent. Following that, in 1984, everybody was quite delighted when NovAtel opened a \$10 million plant in Lethbridge. That was good news, and a lot of money flowed into the economy directly to Lethbridge and, of course, throughout the province. In 1986 there was good news as

everybody heralded the fact that NovAtel was delivering its first 800-megahertz system. With NovAtel in '87 winning a Canadian award for business excellence and everything looking rosy, people were generally excited about this leader on the world scene in this particular enterprise. Then in 1989 Nova sold its interest in NovAtel to AGT, obviously a significant change in corporate and management structure there.

#### 12:20

I think it's important to remember and have before our minds that in July 1990 we saw an offer from the Bosch people to buy 50 percent of NovAtel, an offer to buy it for \$103 million. We see NovAtel's audited figures – and it's important that we emphasize the audited figures. These were private-sector, independent auditing companies, internationally known auditors, predicting a profit in 1990 of \$16.9 million. It wasn't government legislators looking at those books. It wasn't simply one of the boards of directors of either NovAtel or the Bosch organization. In fact, those are independently audited figures showing the existing state of affairs and predicting a profit of some \$16.9 million. Then a sales agreement would follow that that would be conditional upon the closure of that sale.

Then, following that, we see somewhat of a change in September, where NovAtel actually comes out talking about and predicting a 1990 loss of \$3.6 million. That started to put a little bit of a different flavour and different shade and colour on this. The problem with that, of course, is that in the Telus share offering we have a prospectus, we have certain audited figures making certain statements about NovAtel, making certain clear statements, statements that are subject to review and statements that have to be accounted for. This obviously creates some problem, therefore, with what was later to be the largest share offering in the history of this country in terms of the Telus share. To protect the integrity of that – and with a discrepancy in the figures, something obviously had to be done to maintain the integrity of the share offering, which has gone down as the largest share offering of this type in the history of the country, and very successfully so – the government agrees to guarantee NovAtel's initial forecast that there would be a profit of close to \$17 million. Then we see a guarantee also to Telus, because there's definitely an interest there to buy that interest in NovAtel in the event the Bosch people withdraw, given the figures and the revelation, if you will, that there was going to be a change here, that in fact we weren't looking at a \$16.9 million profit but possibly a \$3.6 million loss. So in the event that the Bosch people would withdraw, a guarantee had to be forthcoming. The reason for that, that I hope would be obvious to everybody here, was because the Securities Commission requirement in terms of prospectus is that there's an accurate reflection. This was done so that prospectus could legally, openly, and publicly be amended to reflect the figures brought in which contradicted the original audit figures that had been predicted.

Some people say: "Who's responsible? Shouldn't somebody be accountable for figures coming forward from private-sector auditing companies, international companies, now that we're being challenged in not reflecting the reality of the situation? Should anything happen? Did anything happen?" I believe in accountability. I believe that where certain statements are made and they are later not able to be upheld in the private sector after these private-sector audits, yes, we do need to look to those companies and the people that made the figures, that passed the legally audited figures on to the government. We need to say: "Who's responsible? What happened?"

So in October we were aware that three of the top managerial level individuals involved with NovAtel were released from their

tenure for employment and some changes took place in terms of the managing director. Then, of course, the decision had to follow in December of Telus selling NovAtel back to the government to maintain again the integrity and success of that Telus share offer. It is subsequently being taken up very enthusiastically by Canadians, in the main by Albertans.

Some people suggested there should be some kind of consideration given to legal action or the possibility of legal action to the people that did the auditing, the actual auditing companies. I think there should be some follow-up. To this day I am somewhat disturbed by the fact that there could be such a discrepancy in a firm that was audited publicly, openly, and that there could be such a rapid discrepancy. I think there needs to be an accounting or an accounting of the accounting, if we can put it that way. I think the public wants to know that, and I for one am looking for that type of action to be taking place, the accountability on the accounting of this. We have to remember here that governments and businesses conduct themselves in such a way in this day that they go to the people who have the expertise to do these types of audits and say, "Tell us about it." They say: "Report to us. Give us an accurate reflection of the financial picture and the financial health of a particular agency, of a particular business." That is a normal practice. As government legislators, either the government side or the opposition side, none of us would presume to be in the place to be able to do that audit ourselves. As a matter of fact, we'd be in a conflict of interest if we were to say, "Well, I did the audit myself, and everything's fine" or "everything isn't fine." That's the purpose of these types of things going out to the professionals, to the people who have expertise in the field.

That's where the problem lies. That's why it's important, I believe, to look at the history of this and see where the problems could have arisen and where the government got to the place where these particular guarantees had to go in place or else indeed we would have seen - there's no question about it, absolutely no question - the loss of the share offering and in terms of AGT, in terms of Telus, what is looked at and acknowledged and recognized not just in Canada but in fact around the world as a very successful privatization and a very successful offering to citizens of a public company. It is absolutely essential to remember that.

MR. SPEAKER: Calgary-Mountain View.

MR. HAWKESWORTH: Thank you, Mr. Speaker. Let me just say in giving my comments that I respect the judicious decision and the proper decision made this afternoon, and I would like to recognize that that's how I review your decision to allow this debate to proceed this afternoon.

Is this debate about the issue of losses at NovAtel? Yes, it's that, Mr. Speaker. Is it a debate about mismanagement of information in the affairs of NovAtel in terms of this government? I believe it is. Is it about the mishandling of the privatization of AGT? I believe it's that as well, Mr. Speaker.

But more fundamentally, this is an issue of ministerial responsibility and leadership at the highest levels of our government. It's an issue of leadership. What the bottom line is in all of this is: who was responsible and who is responsible for the losses that occurred at NovAtel? Who was responsible and who is responsible for presenting Alberta taxpayers with a bill for \$566 million at least? Who's responsible for that, and who's going to be accountable for that? That's the question that this debate is all about. That's the question that the people of Alberta want answered.

12:30

[Mr. Jonson in the Chair]

What we've heard from the members opposite in the government has been to say, "We're really very sorry." They've gone through the chain of events and said this happened and then that happened and the other thing happened. Taxpayers are sitting here with a bill for \$566 million and they're saying, "Who is going to be responsible for making me pay this?" They're not going to say oh, well, this happened and that happened and the other thing happened, and that's the end of it. They're not going to accept that, Mr. Speaker. They're not going to accept a gratuitous statement about being sorry. "Whoops. Gee, we didn't mean it to happen that way." They're not going to accept that. They're going to want something more from this government than that.

Now, let's put this loss of NovAtel in some context. You know, I think for a lot of people, what is \$566 million? Well, if you take every person in Alberta, in terms of dividing what that loss represents for every individual person, every man, woman, and child in this province, it's somewhat less than \$300 per year. Somewhere around \$250 per person is what that loss represents, so for a family of four you're presenting them with a bill for nearly a thousand dollars. That's the kind of thing that Albertans can understand. That's the impact of this decision yesterday in terms of NovAtel. That's what it means to the average Alberta family. This government bragged in the budget about this big tax break that they were going to be giving Alberta families. Well, this bill that they presented to Alberta families yesterday is about 10 times the tax break that they gave in their budget six weeks ago. That'll put things in some context.

I also want to know whether \$566 million is all that's going to be lost here. Let's remember that not all of the assets of NovAtel have been sold. The government maintains responsibility for financing loans for some of the NovAtel systems, and we still haven't gotten a clear answer about the status of \$500 million and some in loan guarantees. Now, the Treasurer yesterday said we've made some provisions for losses, but it opens up the whole possibility that there may be potential losses further down the road in regards to those assets.

As well, the indication from the announcement yesterday was that that \$20 million has not yet been received from the purchaser of certain NovAtel assets, and for all I know, given the details, there may be a lot of contingencies placed on whether that \$20 million will ever materialize. For example, the whole question of whether the \$20 million is based on the buyer being able to meet certain performance standards: what happens if he doesn't sell a certain threshold minimum number of units? Does that mean that the buyer does not have to meet this \$20 million payment? If the buyer can't make the remnants of NovAtel work financially, does that mean he and his company will not have to make some of those \$20 million payments to the Alberta government? These are all questions that still remain to be answered. If it means that the \$20 million payment is dependent on meeting certain standards here, if they're not met, the Alberta government is not going to get that money, in which case we're going to lose more money on this sale than the \$566 million that has so far been alleged.

What have the people of Alberta got to show for all of this? This is another aspect to it that the government has a lot to answer for. It's as if somebody had just thrown a huge, lavish party for the last five or six or eight years and now all of a sudden they're asking the taxpayers to pay for it, for this party that's all over with. They're asking themselves, "Why do we have to pay for that, and who got us into this mess in the first place?"

The Premier and members opposite today keep talking about this Auditor General's report. That's fair enough; they've asked the Auditor General to do some kind of report. But it puts the whole matter on hold for an indefinite period of time. For example, I

don't see anywhere in the Premier's letter to the Auditor General giving a time line. Does the Auditor General have to report publicly within six weeks, within six months, within six years? There's no indication of when the Premier wants to get this public report back.

There are other questions regarding this report that the Auditor General is to be making. Will any of his investigation take place in public? Will there be any public meetings at which people are asked to appear? Will the Auditor General have the power to subpoena witnesses, to subpoena documents, and to subpoena evidence? Will evidence be given to the Auditor General under oath, Mr. Speaker? Will witnesses be expected to give sworn statements? Will those sworn statements or any of that evidence be made public along with the report that the Auditor General's been asked to do? Will there be the whole question of cross-examination of witnesses or of individuals is another area in terms of the review that the Auditor General is expected to undertake that just hasn't been addressed.

The whole issue that surrounds NovAtel and the privatization of AGT and the prospectus that was issued is a part of the mandate of the Auditor General, and it raises a question of due diligence in the performance of certain responsibilities here, due diligence on the part of the auditors of NovAtel and on the auditors of Alberta Government Telephones, due diligence on the part of the underwriters of the share offering, Mr. Speaker. Did they exercise due diligence? What about the managers and the directors of the board and the officers in the companies of NovAtel and Alberta Government Telephones? Did they exercise due diligence? These are important questions because they open up the whole question of liability for this loss if they didn't.

[Mr. Speaker in the Chair]

What about the matter of due diligence of the minister and the cabinet? This is in the political realm. What were their obligations, and did they fail to perform them? Will the Auditor General have the mandate to investigate that, or is his purview supposed to not come into the political arena, in which case does this report simply ignore the responsibilities and the actions of the minister and the cabinet and, in so doing, end up giving us less than a complete picture? These are important questions that the Premier's letter doesn't even start to address.

MR. SPEAKER: Calgary-Foothills.

MRS. BLACK: Thank you very much, Mr. Speaker. I, too, wanted to get involved in the emergency debate to discuss NovAtel Communications and the sale of it. I also wanted – and I feel I have a responsibility as the representative for Calgary-Foothills – to talk a little bit about the background of this situation. Two years ago when we brought up the concept of going to make a change in AGT to allow it to have the opportunity to compete on a world level, to move from a telephone company to a high-tech communication industry, I was very excited. I thought this was an opportunity that would be applauded throughout the country. In fact, it was deemed to be the largest issue in Canadian history. In fact, it had promise from the start of being the most applauded issue in a Canadian company. I couldn't have been more pleased until some of the problems developed with NovAtel.

12:40

Those problems came to light almost at issue time through the prospectus. I, like the Member for Red Deer-North, was

concerned. When you hire some of the very best in the industry through audit firms, when you hire some of the very best through corporate finance departments – in fact, 11 corporate finance groups were brought in – and you hire the very best in the legal profession to look at one of the largest offerings in the history of this country, you have to have some faith when you go outside and rely upon experts in their fields to provide information. All of the professions have an obligation, and it is called, as the Member for Calgary-Mountain View related to, “due diligence.” You rely upon this expertise when you're going into such an issue. It's fundamental.

When it was discovered that there was an error of sorts in the financial statements to NovAtel, under our securities laws it's called a material change, and therefore a position has to be redrafted. However, on the broader spectrum, when you look at the offering of AGT to the public to allow it to enter into an arena that it could not have done otherwise unless it had gone into public ownership on the public market and been allowed to raise the necessary capital that it required to enter into the competitive marketplace, I think you have to make decisions. The decision was made to hold the integrity of the issue and allow the issue to proceed.

At this very point, Mr. Speaker, a management team was struck and put in place to look at this, but also at the same point an offering had been on the table, as Red Deer-North said, by Bosch, the company that was looking at buying out some of the NovAtel interest. As is understandable with changes, that offer was not exercised. There was also an offer that had been made to Telus that the government would take back NovAtel. Naturally, Telus had an obligation to exercise that offer. They would have been in grave problems with their own shareholders; they were a publicly trading company at that point.

There are a lot of questions that have to be answered, and I think some of those questions have come up this morning. I quite frankly am very pleased to see the Premier's directive to the Auditor General asking him to review some very key events and decisions that led to the government of Alberta reacquiring NovAtel. I think there is a question that we all need to know as to the uncertainty of the financials, the due diligence questions, the questions on materiality within the issue, and the overall package. I think one of the things that the Premier talks about in his letter to Mr. Salmon, when he gets into the acquisition of Nova's interest in NovAtel:

- (ii) the main reasons for the error contained in the Telus prospectus dated September 10, 1990, and
- (iii) the strategic business decisions made with respect to NovAtel before and after the privatization of AGT.

These are all facts that have been left out there somewhere that need to be answered, and I think we have a responsibility to find out those answers.

I will say this: while this has been a difficult time, we did put in place a management company, Mr. Speaker. The Premier did make a directive to this management team to make this company profitable, shut it down, or sell it. Those were the options that were presented, and I think we have followed through with that. It's not always easy when you're in high tech to match up a company with potential buyers, and I think they have worked very hard to put the deal together. I think it's very important that the Auditor General look at this review and come back as quickly as he can with some answers to the questions.

I think it's very important when you're in these tough decisions that all members of this Assembly try to find out what happened and why the decisions were made, because we all have constituents to report back to. When you have to rely on outside

expertise for information, then you have to look and see that that information is in fact reliable and acceptable to all. Those are questions I personally have that I'd like to have answered.

The last thing I'd like to say is, as the Minister of Culture and Multiculturalism alluded to in his comments, there is one saving grace, Mr. Speaker. We have kept a high-tech company in Alberta, and we have preserved a thousand jobs in Alberta. I think that is about the saving grace that we can look on this whole issue with, that we have kept a thousand people employed in this province. I think that's the positive side of this story.

Thank you very much.

### Speaker's Ruling Adjournment Time

MR. SPEAKER: Before we proceed, the Chair recognizes a difficulty with the clock. The next member up to be recognized would be Calgary-North West, and if the member uses the full allotment of time, we will then have the situation that the next speaker for the government is to be the minister and we will be beyond 1 o'clock. So the Chair must perforce ask the question to the Member for Calgary-North West: are you prepared to yield the floor at this stage to the minister, or do you wish to continue?

MR. BRUSEKER: I would prefer to extend debate by moving that the clock be stopped. Is that possible?

MR. SPEAKER: That would not be at this moment. If that's what you choose, then Calgary-North West.

### Debate Continued

MR. BRUSEKER: Thank you, Mr. Speaker. I will attempt, then, to keep my comments brief enough so that the minister does have some opportunity to reply.

A number of the government members have made comments that they, too, are looking for answers, and I think that's certainly a noble sentiment, Mr. Speaker. I would like to point out that nine days ago as a member of the Public Accounts Committee for our caucus, I was looking for information on this particular company, NovAtel, from the Auditor General. The Auditor General at that time said that he could not release that information. He said he would not be able to provide that information because the government chose not to release it. We do have public accounts, and the most recent ones we have before us show some information dealing with NovAtel up to December 31, 1990. Of course, that's now almost 17 months out of date. We're still waiting for further information, so when we talked about information not being provided, I think it's abundantly clear that we have some problems with his announcement yesterday.

The minister did make reference to dollars that have been lost, and the question I hear the minister asking is: where have we made mistakes? Well, let me point one out to you from the public accounts, from the document we have before us. If you look in that particular document, you'll see that indirectly this government has been making loans to United States cellular systems licence holders. Let me explain how that works, Mr. Speaker, because it's interesting. NovAtel loans money, a total of almost \$174 million, to these cellular systems licence holders in the United States "to finance the acquisition of cellular system equipment." That's a direct quote from note 6 in the public accounts.

12:50

Now, the interest rate is U.S. prime plus 2 percent, so that's what they're getting, U.S. prime plus 2 percent. Presumably the hon. minister is aware of this. But then when you turn to note 11

that says where they get that money from, they're paying Canadian prime plus 1 percent. Everyone, I'm sure, is well aware of the fact that American interest rates are substantially lower than Canadian interest rates, 2 or 3 percent lower. They borrow high and lend low. This is a sound business decision that this minister presumably has authorized because this is what it says in the public accounts. They borrow at Canadian interest rates and loan at American interest rates, lose money, and call it a sound business decision. When an individual walks into a bank and you loan them your money in the form of a deposit, you get a low interest rate, and when you go to borrow it back, you're charged a high interest rate. That's sound fiscal policy. What we have here in black and white shows that this minister was aware of low interest rates, was aware that we were paying high interest rates to collect the money, and there is a problem directly falling upon the shoulders of this minister, Mr. Speaker. That's why we needed to have this emergency debate. That's why we need to bring this out.

Now, there are a number of questions that are before us, and I will attempt to put them fairly quickly here so that the minister does indeed have some time to respond. Members opposite have talked about a deal that was potentially struck with Bosch to purchase this corporation. Bosch is a well respected, well known, very large firm, and they ran away, basically. They said, "We can't get into this; we can't afford to buy into this because it's such a boondoggle." But no alarm bells went off, apparently, in the government's minds. No decision that yes, it's time to really review what's happening with this corporation. Bosch offered some money, saw the books, and said no way.

Part of the reason they said no way is shown again, right in our public accounts here. Note 3 in the audited financial statement for this corporation says that the parent "would contribute to the Company an amount computed by reference to . . . which the Company's consolidated net income" was less than \$16.9 million. In other words, if they made less than \$16.9 million, here's a blank cheque and we'll make up the difference. That's sound business? Saying here's a blank cheque; it doesn't matter what it is; if you lose \$1 million or, as it turned out, \$204 million, we'll write you a cheque? That's not sound business practice.

In the statement that was filed by the acting minister yesterday there was a line that talked about \$250 million "final cost at point of divestiture." What does that mean? Final cost \$250 million. For what? What are the details behind that? We haven't heard those kinds of details. We haven't heard the minister make any comment about the \$400 million that is still out in loan guarantees, Mr. Speaker. These are numbers, these are big numbers, these are staggering numbers that need to be addressed, that need some answers before this Legislature. We've heard that the total government losses are projected to be about \$566 million, but there are still other costs out there. There's \$400 million in loans that are still guaranteed by the government. What's going to happen in the event that some further problems occur?

Mr. Speaker, there are many more concerns. I guess the final one that I want to just point out very quickly and then stop so the minister does have some chance to reply: he says that we had to let this company do its own thing. One of the things they discovered: this company had \$59 million in the bank in a current account, \$59 million sitting in an account. It's staggering that that would occur, that this money would be sitting there.

Finally, the comment about jobs; you know, that we got a thousand jobs. True, we've got a thousand jobs; at \$566 million that works out to half a million dollars a job. Pretty steep.

MR. STEWART: Well, Mr. Speaker, looking at the hour, I wish to indicate to the members present that I would move at the appropriate time to stop the clock to allow me to participate in this debate for the same length of time as other members.

MR. SPEAKER: On the motion.

**Point of Order  
Stopping the Clock**

MR. FOX: On this point, Mr. Speaker, if I might. Standing Order 4 would be accommodated by the hon. Government House Leader's request if it was granted unanimously by the members of the Assembly. I would like to point out to him and to other members of the Assembly that in an emergency debate members can speak only once and for 10 minutes. There aren't that many members on this side of the House who are eligible to speak to that motion, and I would request that when unanimous consent of the House is given to stop the clock at 1 o'clock, we recognize other members who are anxious to participate in this debate on behalf of their constituents as well.

MR. SPEAKER: Well, no, hon. member. First, this is the appropriate moment to attempt to stop the clock. The first motion that the Chair is prepared to take would be the one which I think I am hearing from the government bench, that it be for the purpose of the minister to make his reply, and then we're past the hour 1 o'clock when that ceases. Now, if there's to be any negotiation in this House, you'd better do it in a hurry, figure out what you want. The Chair's tried to make that indication through a series of notes in the last half hour to the various parties in the House. The Chair also before recognizing Calgary-North West gave notice to the House, so I don't think the Chair can do much more than that.

MR. STEWART: Mr. Speaker, I will proceed and use the period of time that's left, rather than wrangling over procedural matters, to speak to this matter and endeavour to cover off certain other matters at such time as my estimates come forward and to be fully accountable and to fully develop the ideas that I wish to pursue.

MR. SPEAKER: Thank you. Government House Leader, at one minute to the hour the Chair will put the question that the clock be stopped to allow the minister to complete his 10-minute allotment only. That's what will happen.

MR. FOX: On the point of order, Mr. Speaker, if I might.

MR. SPEAKER: All right, then; thank you.

MR. FOX: Just to observe that in order to stop the clock, unanimous consent of the House has to be granted. We'd be more than willing to hear the minister's comments if the minister recognizes that there are members in the Assembly here that are anxious to participate in this debate on behalf of their constituents as well.

MR. SPEAKER: Well, hon. member, that's very difficult. No one, including the Chair, can mind-read who else wants to get into this debate. Now I'm seeing a signal, "three more."

The Chair will put the question right now that the minister only

be allowed to continue to complete his remarks and the clock be stopped. This does require unanimous consent. All those in favour of that motion, please say aye.

SOME HON. MEMBERS: Aye.

MR. SPEAKER: Opposed, please say no.

SOME HON. MEMBERS: No.

MR. STEWART: Well, I think that's most regrettable, Mr. Speaker. We tried, as I say, in the first instance to come forward with the estimates so that there wouldn't even be just 10 minutes available; there would be much more time than that to respond directly to all of the questions and concerns that are there, because there is no doubt that this is a very, very important issue. It's a major issue. It's a tough issue, and it's one that we do want to have the full opportunity to develop with members of the House, to answer questions, to be accountable, and to make full disclosure. I think it's an absolute shame that the members of the Assembly opposite should use this opportunity through procedural wrangling in order to stop that sort of process.

**Debate Continued**

MR. STEWART: All I can say, Mr. Speaker, in the time allotted to me is that this was not an easy decision. It is particularly from my standpoint one that I am very, very sensitive to. Five hundred and sixty-six million dollars is a very large number, a very large cost to the taxpayers. Answers are required. The process that was followed is the one that the Premier outlined earlier in question period today, one where we took back this company not because we wanted to but because we had to under the circumstances to preserve the integrity of a share offering. We put a management committee into place and said: "Fix this. Turn it around. Put it into a profitable position, or we have no alternative but to seek other options." Those other options, unfortunately, were either to wind down the company as a whole or to find a logical buyer. Fortunately, through that management committee and its recommendations we have a solution, not the best solution in the world but, in the circumstances of this particular company at this particular time, one that I believe saves jobs, keeps the telecommunications industry growing in this province, and is a stoppage of moneys that are going to the company from the taxpayers of Alberta. Those are important benefits for Albertans.

**1:00**

Mr. Speaker, the Auditor General will have a full opportunity to look into all these matters, and I'm pleased at the Premier's initiative to take that matter and put it into the hands of the Auditor General, a respected individual, an independent authority, one that reports to this House, not to the government. We will make every effort to be co-operating with that Auditor General in putting the reports and other information forward that are so essential for his work to make full disclosure and accountability.

MR. SPEAKER: It is with regret that I mention that the clock is 1 o'clock.

[At 1:01 p.m. the Assembly adjourned to Monday at 2:30 p.m.]