

## Legislative Assembly of Alberta

Title: **Wednesday, October 25, 1995**

**8:00 p.m.**

Date: 95/10/25

[The Deputy Speaker in the Chair]

THE DEPUTY SPEAKER: Please be seated.

**head: Private Bills**  
**head: Second Reading**

### **Bill Pr. 7** **Concordia College Amendment Act, 1995**

MS HANSON: Mr. Speaker, I would like to move second reading of Bill Pr. 7, Concordia College Amendment Act, 1995.

THE DEPUTY SPEAKER: The hon. Member for Edmonton-Highlands-Beverly, the question has been moved. Did you wish to speak?

MS HANSON: Yes. The amendments to the Concordia College Act are to change the name to the Concordia University College of Alberta, the reason for that being that they would like to reflect the fact that they offer university degree courses. They felt it would be easier for the public to understand, and many of the graduates are asking for this. It's been checked through Concordia University in Quebec, and they are in accord. It's been cleared.

[Motion carried; Bill Pr. 7 read a second time]

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

### **Bill 47** **Vencap Equities Alberta Act Repeal Act**

THE DEPUTY SPEAKER: A point of order before we begin the speaking list. Hon. member, you have a citation?

#### **Point of Order** **Pecuniary Interest**

MR. BRUSEKER: Yes, Mr. Speaker. My point of order is Standing Order 33. I just wish to declare my personal pecuniary interest, so I will not be voting on this particular Bill. I wanted to declare that right up front.

THE DEPUTY SPEAKER: So recorded. Anyone else?

Hon. member, if you have such an interest, then perhaps it might be advisable to absent yourself during the debate.

MR. BRUSEKER: I don't think that's required under Standing Orders, Mr. Speaker. It doesn't say that in Standing Orders. [interjections] I could do that too.

THE DEPUTY SPEAKER: The hon. member has been cautioned. If you choose to remain, you do so on your own recognizance.

The hon. Minister of Economic Development and Tourism.

#### **Debate Continued**

MR. SMITH: Thank you, Mr. Speaker. It gives me pleasure to rise today and speak to Bill 47, the Vencap Equities Alberta Act Repeal Act, which you'll note by careful examination of the Bill

has been written in an easily understandable fashion. That was indeed for the understanding of those who are more comfortable with numbers than they are with actual letters and words.

The purpose of Bill 47 is to in fact repeal the Vencap Equities Alberta Act and expedite the transition of the company fully into the hands of the private sector. I think that at this time it's just appropriate to note that, as with many things done in this administration, it's not done alone, and I think the Treasurer deserves a great deal of credit for his careful scrutiny and active examination of this legislation as it went through.

It's certainly a great pleasure to be able to speak after 8 o'clock in the evening on these Bills.

Let me put into the record, Mr. Speaker, a very quick and brief history of Vencap. It was started in 1983. It has been in effect for 12 years. The exiting process began in the fall of 1994 and has succeeded in attracting a very positive offer that has been released today, an agreement with Vencap Equities Alberta and the Onex Corporation. The repeal of the Act is necessary in order to expedite the sale and in fact would be subject to proclamation when it is certain that a disposition of the province's interest will occur.

I know there's a lineup of financial wizardry ready to address probably the body, the content, and the lineage of the Bill, so I will await further illuminating comments.

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

DR. PERCY: Thank you, Mr. Speaker. At second reading I rise to address the principles of the Bill. I'm not going to go through the creation of Vencap from day one, its mandate, because all members of this House are aware of why it was started, what its strategic goals were. What I'm going to focus on is the process by which the province is attempting to divest itself of it.

I believe that in discussing this Bill, you cannot escape the events of the spring of 1995. Let me just refresh the hon. member's memory. It was clear in May of 1995 that the province was attempting to arrange a shotgun marriage between Trimac and Vencap, I think at the expense of the shareholders of Vencap and certainly behind closed doors. Once this became known, Mr. Speaker, there was certainly I think outrage within the financial community, because this is a publicly traded corporation, 13,000 shareholders, and an effort, then, by the government by whatever means to divest itself of its shares and to do so behind closed doors, not relying on the market, not only would be ill advised and disadvantageous for the shareholders of Vencap, but it could have brought capital markets in Alberta into disrepute.

Now, in response to the concerns that we had raised publicly – and I can quote press releases from June 3, June 5 – bringing home the point that this could not be done behind closed doors because it was not the right thing to do and it would not pass any conceivable smell test, the government moved to a more open process. The process that emerged, then, in September was that there would be representatives from the government, representatives from the Vencap board: two of each. There would be independent financial advisers to Vencap: Rothschild. There would be independent financial advisers to the provincial government: Richardson Greenshields.

[Mr. Clegg in the Chair]

Gosh, you just have to look at Bovar to realize that they do need some independent advice, Mr. Speaker. So you had this scenario set up to vet the various bids that would come through

for Vencap and in particular for the 3,999 shares for which the government had not exercised its option at a dollar a piece.

Now, this process which we consider to be fair has emerged with an outcome, and the outcome is that the Onex Corporation appears to have been the bidder of choice. Its bid has been approved by independent financial counsel, Rothschild; it has been approved by the board of directors of Vencap; it has been approved by the independent financial advisers to the provincial government, Richardson Greenshields; and it has obviously been approved by the government.

#### 8:10

So at this stage there appears, then, to be an agreement that is perceived to be fair to all parties, perceived to be fair to the taxpayer in terms of the payment of the outstanding loan, and when you're earning 2.88 percent on an investment, the sooner you can get out of it the better off you are. It appears to be fair to the shareholders of Vencap, and they ultimately, Mr. Speaker, have the final say, because there is a threshold in the agreement of 66 and two-thirds percent. If that's not reached, then I believe the deal is, as my colleague would say, *functus*. So there appears to be a number of safeguards in this, and it appears to have been a process that is if not transparent at least fair.

Now, I will support this Bill in second reading, and this is not a "yes, but." I would ask colleagues on both sides of the House to listen to the concerns that we have as an opposition party with the Bill as it's presently constituted. Here are our concerns. The Bill, then, gives the government a blank cheque. If the Onex deal falls apart – say the shareholders don't agree; they want to maintain the status quo; they think the current board is just the greatest thing since sliced bread – and this deal dies, we would have passed a Bill that allows for the repeal of the Vencap Equities Alberta Act. Now, we have the assurance of the government that it won't be proclaimed unless the deal goes through, but the deal, then, could change. Onex could be out of it. It could be Trimac again.

[The Deputy Speaker in the Chair]

Given the context by which we arrived at this process, Mr. Speaker, where the government was pushed kicking and shoving into a process that gave this favourable and fair outcome, we need something more than just an assurance on the part of the government that: trust us; everything will be all right. Unfortunately, given the context, given that meeting in early May where there was a shotgun marriage almost arranged between Trimac and Vencap, there is not that reservoir of trust there to allow us to pass this in third reading, and certainly we're going to bring forward amendments in Committee of the Whole.

Let me just give you what the context is so that you can discuss it at your caucus meeting as we've discussed it at our caucus meeting. This is consistent, because I'm talking about the principle of the Bill. We support the process by which this outcome emerged, and what we would like to see is some mechanism, Mr. Speaker, by which the Act will only be proclaimed if a final agreement emerges that is acceptable to the board of Vencap, acceptable to its financial advisers, acceptable to the financial adviser of the provincial government, and acceptable to the provincial government. We want some backstop in there so that all parties are protected. As it stands right now, if we repeal the Act and the Onex deal falls apart, we have the assurance of the Provincial Treasurer that the status quo will

prevail and that they won't proclaim the Act. Now, if you were in our position, you wouldn't go for it either.

So we would like something more concrete than just: trust us. We would like an amendment that the Act will be proclaimed or become effective if and only if a deal is acceptable to all four parties here: the two independent financial advisers, the board of Vencap, and the provincial government. That way the rights of the shareholders are protected, the rights of taxpayers are protected, and the process is fair, and we get an outcome out of a process that we do think is fair and reasonable. But as it stands right now, we could pass this Act, the deal falls apart, and this ends up in the hands of Trimac.

So there it is in a nutshell. I will support this Bill in second reading, Mr. Speaker, so that it goes to committee. In that way we can then decide how to make sure that the Bill achieves the result that all members of this House would like to see occur. When you're earning 2.88 percent, it's not enough. But you have to understand our position in this as well. Our role is to provide sober second thought, our role is to provide a backstop, and our role is not to write blank cheques. The wicket is closed on blank cheques.

So those, Mr. Speaker, are my comments. Thank you.

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

MS CARLSON: Thank you, Mr. Speaker. It's my pleasure to speak to this Bill at this time. Given the history in the past few months with regard to Vencap and the nefarious behind-closed-doors deals that the minister and company tried to pull over on the shareholders of this company, it's nice to see that we have a sale that looks like it's actually transparent and in the shareholders' best interests.

It is very interesting to see how this process has evolved over the last few months and how pressure from the public, pressure from the board, pressure from us as opposition, and pressure from the shareholders can in the final analysis provide a fair and transparent basis, something which would never have occurred if everybody hadn't really gotten together and taken a look at the original Trimac deal and the arrangements that were made to bail Bovar out of its financial fiasco. So it looks like what we have here really is a process for the sale of the shares which, as my colleague from Edmonton-Whitemud states, appears at this point in time to be fair. This is as a result of what we've seen over the past few months: significant pressure on the board to actually roll over and bow to the wishes of this government. I would like to applaud them in standing firm and insisting on maintaining integrity in this deal.

Of course, if this Bill goes through, as my colleague said, and then the current deal with Onex dies, it reopens a real can of worms for us and a number of concerns: that we as the opposition, the shareholders of Vencap, the board of directors, and the people in this province are going to be put right back where they were a few months ago, and that's catering to Tory friends, who have been involved in the process of this sale from the beginning, going back to early spring. That certainly would not be in the best interests of anybody but a few people, who have been named in this House repeatedly and who still seem to be on the inside track to any of the really good and significant business deals that occur in this province.

AN HON. MEMBER: Oh, Debbie.

MS CARLSON: Don't say that. It's true. We've debated it here day after day in this House. The Premier has stood up repeatedly and defended his position for political purposes. It's done irreparable damage to this province, as you know, and somebody has to be here standing up . . . [interjections]

THE DEPUTY SPEAKER: Order. Hon. member, speak through the Speaker, and the others be quiet.

MS CARLSON: Thank you, Mr. Speaker. [interjections] Well, you guys didn't listen that time either, so I would suggest that you start to this time. No; you continued on with a course of action which certainly isn't in the best interests of the majority of the people in this province. It's the inside track that has the golden lining, and that's not in this case the shareholders of Vencap.

Hopefully, we will be able to ensure that all parties in this sale continue to be protected. We will do our utmost to bring to the attention of the people of this province any irregularities. Given the history of this sale process, it's going to be a very needed and necessary function for us to perform. Then we will be introducing an amendment at the appropriate time to ensure that a fair and reasonable deal does in fact happen in the final analysis.

At this point I'll conclude my remarks. I will be supporting this Bill at this reading, and I will be supporting the amendment when it comes forward.

Thank you.

MR. DECORE: Mr. Speaker, I would expect that the Provincial Treasurer or the minister of economic development would jump up and say, "We agree; this is not a problem to give you this assurance," the assurance that my friend for Edmonton-Whitemud has asked. I'm surprised that hasn't come forward. This is so easy.

MR. DINNING: We were waiting for you, Larry.

MR. DECORE: I hear the Provincial Treasurer chirping, the same Provincial Treasurer who sat in a cabinet and was part of a government that assured Albertans that the Pocklington hog processing plant in Picture Butte would be a go, and \$6 million later . . . [interjections] I've touched a raw nerve.

### Speaker's Ruling Decorum

THE DEPUTY SPEAKER: Order. [interjections] Order. Sometimes of an evening we have a little while settling down. There may be logical and spirituous kinds of reasons for that, but, hon. members, we would ask you to please be quiet and show respect for the Assembly and allow the hon. Member for Edmonton-Glengarry to continue.

8:20

### Debate Continued

MR. DECORE: Mr. Speaker, what's interesting about the hog processing plant in Picture Butte is that a member of the opposition asked the minister of economic development for an assurance – Mr. Minister, I hope you're listening to this – that there would be jobs created, an assurance that this was an ironclad arrangement, an assurance that there really would be a hog processing plant, and the minister stood in this Assembly and said: I give you that assurance; it will be done. Six million dollars later Mr. Pocklington walks away, and there is no hog processing plant in Picture Butte. The poor people of Picture Butte even got burned

on this one by spending moneys, getting themselves ready for zoning and infrastructure that never came to be.

I guess you can't blame the people of Alberta and you can't blame an opposition for saying, "You know, sometimes government assurances aren't worth very much." So that's why I'm surprised that the minister just doesn't stand up and say, "I'll stake my career on this one." I'm surprised that the Provincial Treasurer doesn't stand up, because he knows this matter and the negotiations probably better than anybody else, and say, "I give you my assurance, and I'll stake my seat that this Act won't be proclaimed unless all of the parties are satisfied like they should be to this arrangement." All he has to do is that. All the ministers have to do is say that, and I'll sit down and all of us will be happy. But there's reason to be cautious about this.

I look at a paddle wheeler on the North Saskatchewan River. I look at Bovar. [interjections] Yeah, the paddle wheeler. I heard some chirping from the back benches on the government side. I stood in this Assembly and I said: a loan guarantee for a paddle wheeler is not good business. I don't know where the Treasurer was. I assume that he voted for that paddle wheeler loan guarantee.

Now, Mr. Speaker, it's customary in parliamentary process, parliamentary custom and tradition, that ministers take responsibility for huge messes that occur when they're governing or when they're involved in governance. Even though the Auditor General's report says that negotiators relating to the negotiations on Bovar let the people of Alberta down, I don't see any ministers coming forward and saying: "Gee, I was responsible. That was my ministry. I'm going to leave cabinet. I'm going to leave my seat." Is there any reason, ministers, why we shouldn't be suspicious and careful and cautious in the way we deal with a matter like this one? You say trust us, believe in us, and we're going to look after the best interests of Albertans. Stand up and tell me that you're going to resign your seat, that both of you will resign your seats, if you proclaim an Act that every party isn't interested in . . . [interjections]

Mr. Speaker, then there's NovAtel. Again, I remember quizzing ministers, including I think the minister who's now the Provincial Treasurer, saying: well, what about this? Ministers kept assuring us and telling us that the moneys that NovAtel was using for their involvements in the United States was only related to credit that related more particularly and specifically to their product. We discovered, through freedom of information legislation in California and in Washington – we couldn't get it in Alberta – that NovAtel moneys, that taxpayers' moneys, were being used to do some things in Chile that were surreptitious. We discovered that the board of directors in a company in California was getting paid by taxpayers' money out of Alberta. We discovered that land was being purchased by some company in California again by taxpayers' money, but ministers stood here and said: everything is fine; don't worry, people of Alberta, things are under control; the only moneys that are going out are moneys that relate to credit and the product that NovAtel is trying to sell in the United States.

Is there any reason why we feel a little bit suspicious about a minister standing up and saying, "Trust us"? Again, I challenge the minister of economic development to stand up and say, "I'll resign my seat if this thing doesn't go well." He hasn't got the courage to do it, nor has the Provincial Treasurer. Mr. Speaker, we will continue to balk and to thwart the passage of this legislation until somebody stands up with some courage and is able to say to the people of Alberta, "Here is my seat on the line on what we want to do."

Thank you, Mr. Speaker.

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

MR. SEKULIC: Thank you, Mr. Speaker. I, too, rise to speak to Bill 47. As always, I'm going to be positive, I'm going to be constructive, and I'm going to do what's right for my constituents and those Albertans living outside of my constituency.

Mr. Speaker, the intent of this Bill, the principle of this Bill is perfectly acceptable, and I also, like my colleagues before me, will be supporting it in second reading. I do share . . .

AN HON. MEMBER: However.

MR. SEKULIC: It's not the "however", Mr. Speaker.

Going past second reading is fine because the principle is acceptable. This is permitting government to expedite the transition of the company to the private enterprise, and that's something that the Liberal caucus has been bringing up in debate for the past two years. We've been pressing the government to get out of the business of being in business and investing, most often unwisely, in the private sector using public-sector funds. So we're encouraged to see this Bill come forward, and perhaps we should be taking some credit and sharing credit that government is now backing out of this venture.

I can think of 10 clear reasons not to support this Bill past its next stage, the committee stage, unless there's the amendment that the Member for Edmonton-Whitemud mentioned and suggested. These 10 in ascending order are Myrias Research Corporation, General Systems Research, Chembiomed, Millar Western, Northern Lite Canola, Magnesium Company of Canada, Gainers Inc., Lloydminster biprovincial upgrader, Swan Hills waste treatment plant, NovAtel Communications. I won't do the descending order, but I will say that that's well over \$2 billion of "trust us." I said yesterday, in speaking to one of the Bills, that after Bovar, after that \$500 million had been thrown away, I no longer was able to trust this government. From now on there is going to be a requirement for insurance. There will be no blank cheques passed in this Assembly. This wicket, too, is closed, Mr. Speaker.

I would hope that the wisdom of the amendment that will come forward in Committee of the Whole will be seen by the full Assembly and that we will be able to assist the government in expediting this transition of Vencap to private enterprise. Albertans will be able to see their government get back into what they should be doing, and that's the business of governing and passing laws which are in their interest pertaining to core programming such as health and education and social programming.

With those few comments, Mr. Speaker, I have to say: the buck stops here. I hope that government members will see the need for compromise and work with the opposition on this one so we can do the business we were sent here to do.

**8:30**

THE SPEAKER: The hon. Member for Clover Bar-Fort Saskatchewan.

MRS. ABDURAHMAN: Thank you, Mr. Speaker. I, too, rise to speak to this important Bill and will also support it in principle at second reading. When we get into Committee of the Whole, I believe that the amendment that will be put forward has to be carried, and the reason I say that is that irrespective of who sits in the government, whether it be in the province of Alberta or any

other province in Canada or in the federal government, there's a lack of trust in politicians. It's justified, because unfortunately over the decades we've seen a violation of that trust when it comes to the public dollars and governments getting into totally inappropriate areas.

We as elected officials are there as trustees for the natural resources of the province. We're there as trustees of the taxpayers' money that we collect, and we're also expected to expend them in a meaningful way and in a way that every Albertan or Canadian benefits from that tax expenditure. But what we've seen happening, not only in Alberta but in other parts of Canada and the world: suddenly governments believe they're all things to all people and that somehow they miraculously become successful businesses and start to direct the marketplace. We've got to protect the citizens of Alberta from that style of thinking, because we as Albertans have certainly paid the price. The unfortunate thing, Mr. Speaker, is that I don't believe it was even done in good faith. I firmly believe in my own mind that certain people have substantially benefited from those investments of taxpayers' money. Unfortunately, under the present democratic process in this parliamentary system, there's an inability to find where those dollars actually ended up, who indeed did benefit from them.

When you hear a Provincial Treasurer making light of something that he was part of, I think every Albertan should even be afraid for the future, because these individuals still are in significant positions of power and are indeed supposed to be trustees of the taxpayers' money that is being collected. Whether it be the significant losses of NovAtel, General Systems Research, Alberta Terminals Ltd., Syncrude Canada - looking historically at the \$20.9 million loss - Myrias Research Corporation, the Alberta-Pacific Terminals, these are all into the millions of dollars lost. I can think of the debate about why we should even have gotten into Alberta-Pacific Terminals and how this was going to sell Alberta in a positive way. We also look at ventures into Peace River Fertilizer Inc. and the significant \$6.4 million loss. [interjections] You know, Mr. Speaker, it's interesting that when you hit a chord in this Chamber, the chirping from the other side of the House suddenly gets louder and louder. You see people's backs. They become jovial, and they start to joke when you're actually dealing with very serious business. I think that that should tell Albertans how seriously they take Albertans, that essence of trust. Quite frankly, it's quite disgraceful.

We also look at Alert Disaster Control, and we've got \$4.5 million there. Then we move on to Alberta Terminals Canola Crushers, another loss of \$4.3 million. You know, it boggles the mind. You would think that once you've made one or two losses, I mean, any sensible, commonsense person would realize they were on the wrong road. That's why with this Bill we still don't see them realizing that they're still not covering all their bases. They're still leaving themselves wide open. God help us, Mr. Speaker . . .

DR. L. TAYLOR: He'll never help the Liberals.

MR. DECORE: God didn't help you either when you spent all that money . . .

#### **Speaker's Ruling Decorum**

THE DEPUTY SPEAKER: Order. Order. Hon. members, there has to be a certain amount of civility, and when we get continuous barbs going back and forth in a loud voice so as to drown out the

speaker, it really doesn't add to the decorum, if I would use that word, of the Assembly. We would ask hon. members on both sides of the House to take care, and let us have the debate on the topic.

The hon. Member for Clover Bar-Fort Saskatchewan.

### Debate Continued

MRS. ABDURAHMAN: Thank you, Mr. Speaker. Speaking to the Bill that replaces the Vencap Equities Alberta Act, I believe clearly that showing why indeed we have to have a Bill to protect the taxpayers of the province of Alberta that has no loopholes in it can clearly be demonstrated by the history of provincial Progressive Conservative governments. You have to look back historically to start to straighten out the direction that this province was being taken in, and without you doing that, we will continue to lose significant taxpayers' money.

Light has been made of the paddle steamer that's sitting out in the North Saskatchewan River. I can remember well, Mr. Speaker, while we were negotiating rail relocation in the city of Fort Saskatchewan, putting forward as a tourist attraction to the region the idea of indeed getting a paddle steamer in the North Saskatchewan River from Fort Edmonton, West Edmonton Mall, the Legislature, down to Fort Saskatchewan, where the original Fort Edmonton was, and looking into it. I remember the former hon. economic development minister, Hugh Planche, and another member of this Assembly called Peter Elzinga and sharing the idea with them. But upon researching it, I found out that really you'd have to spend significant dollars to dredge the North Saskatchewan River to make it work.

Now, I did the same when it came to the magnesium plant. I did the same thing when it came to the Swan Hills plant. I pointed out a Crown corporation, but no, no, when you do your research and you start to see the facts, they dismiss you: "You don't know what you're talking about; we know better." Well, what I'm telling you is that hopefully they will take the advice of the hon. Member for Edmonton-Whitemud and make the amendment to this Bill, if they're indeed serious about getting the fiscal house of this province in order, and start to bring some accountability to the province of Alberta. [interjection] Mr. Speaker, you know, if the Provincial Treasurer wants to speak, why doesn't he get up on his own two feet and speak instead of ridiculing other people across the House? If he's not ridiculing, he's mimicking.

With those comments, Mr. Speaker, I would ask this government to walk the talk of accountability and being open. Thank you.

MR. DINNING: Mr. Speaker, I rise in support of Bill 47, the Vencap Equities Alberta Act Repeal Act. I appreciate the comments made by the Member for Edmonton-Whitemud: lucid, to the point, succinct, insightful, properly researched, as is his hallmark.

Mr. Speaker, we had the good fortune to announce earlier today that the government was able to sell its stake in Vencap Equities for approximately \$174 million. This is a transaction that will occur and be closed later on this year as a result of a purchase by Onex Corporation of Toronto, an offer to purchase all of the outstanding shares of Vencap Equities. It is being recommended by the board of directors of the company to its shareholders. At the same time, we are able to receive some \$174 million for an asset that is on our books in the Alberta heritage savings trust fund at a unit amount close to \$139 million. So from a book

profit point of view the province will be ahead some \$35 million as a result of this transaction, and those funds will likely go directly to pay down the outstanding debt of the province.

8:40

Mr. Speaker, there are a number of actions that must be taken in order for this deal to come to a close. The company, Onex Corporation, has said that it wants to do the necessary due diligence that is required of Vencap and a number of its investee companies. As well, some two-thirds of the shareholders must accept the \$8.50 offer for the shares, and at the same time, there is a requirement or an expectation of this Legislative Assembly that it will pass an Act that would see the repeal of the Vencap Equities Alberta Act, which has in it – at that time, 1983 – a number of protective measures to keep it Alberta, to keep it widely distributed, not to be held in the hands of any one particular individual, at a cap of some 1 percent on the number of shares that could be held by any one individual, to achieve the original objectives.

Mr. Speaker, I'll leave it to others to speak upon the fine attributes and the outstanding success of Vencap Equities in its 12-year history in this province. Clearly, in addition to the actions that Onex feels must be achieved before closure, two irreversible actions on the part of the government would have to be taken. One would have this Legislature repealing the Act and subsequently at the right time a proclamation of the repeal Act. The second thing would be requiring us at the time of closing to exercise our option so that in effect we may be paid the net \$8.50 times 4 million shares. That's part of the agreement that will see our achieving some \$174.4 million by way of cheque from Onex.

Mr. Speaker, neither of those actions will take place, neither of them must take place until we know that the deal that was announced this morning will in fact close. I've heard my colleague from Edmonton-Whitemud suggest that we should rely on other parties, that we should rely on the Vencap board of directors, that we should rely on our own financial advisers, that we should somehow rely on the financial advisers of Vencap, whomever they might be, before we got a green light. As Her Majesty's government, having introduced and having this Legislative Assembly pass a Bill, that somehow we would be obstructed or stopped from proclaiming a piece of legislation that was the will of the people of Alberta by virtue of an objection from one of those parties is something I have trouble with in principle. Clearly the hon. Member for Edmonton-Whitemud is an honourable man, and he will bring forward those amendments. As has often happened in the past, before he's had the opportunity to introduce those amendments, we've had an opportunity, an occasion to speak and to have an honest debate among honourable gentlemen and decide whether he will go ahead or whether he won't or whether the government might accept and move his amendments on his behalf.

Mr. Speaker, what I find difficult to believe is if perhaps – and I don't look forward to this, because I think this competitive, open process has achieved the best possible arrangement with the Onex Corporation. But say, with the remotest chance I hope, that this matter did not pass and that the company chose to hire another set of financial advisers. You know, I suggested to the hon. member earlier that maybe it might be a member of the Team Sun gang who might write for the *Calgary Sun*, that they might actually hire that character, that rotund, august, roundly, portly intellect, that bearded wonder from the *Calgary Sun*.

DR. L. TAYLOR: They'll never hire Mike Henry. He's too left wing.

MR. DINNING: Well, they do look alike; don't they, Lornie? I'm sure Rick wouldn't like you to say that.

Imagine if they were to hire our Team *Sun*. Would the hon. member suggest that we should wait for a green light from Team *Sun*, the most widely read newspaper in the Liberal caucus? Would he want Team *Sun* to be giving the green light or the red light or flashing amber light to the proclamation of this legislation? I think not, Mr. Speaker.

The hon. member has asked, is seeking quite properly an assurance that no proclamation of a Bill should or would take place until all of the various points of this deal have come together to the satisfaction of this Legislature, in fact, and of the government. Mr. Speaker, I stood on behalf of the government with my colleague the Minister of Economic Development and Tourism and announced this deal, announced our participation in it. If a deal comes forward that is remotely different from and worse than – I should correct myself – that is not as good as this deal, then the government must be accountable, the Minister of Economic Development and Tourism must be accountable, and the Provincial Treasurer must be accountable. That's what we do in this Legislative Assembly.

So, Mr. Speaker, I look forward to having further discussion with my colleague for Edmonton-Whitemud, but I would put to him that no proclamation would, could, or will take place until the minister and I can convince our colleagues in Her Majesty's Executive Council that this is the deal that we agreed to and that nothing else is good enough. Subject to the due diligence that the company wants to achieve, subject to two-thirds of shareholders accepting the \$8.50 offer, subject to this deal coming to a close, there is no way that Her Majesty's Executive Council will pass the order in council that would proclaim this Bill or do anything else that is required to see this deal get approved.

Mr. Speaker, I'm delighted that the Liberal caucus to a speaker has agreed that they will support Bill 47 at second reading, and I would certainly so move the question on behalf of my colleague the Minister of Economic Development and Tourism.

[Motion carried; Bill 47 read a second time]

**head: Government Bills and Orders**

**head: Committee of the Whole**

**8:50**

[Mr. Tannas in the Chair]

**Bill 46  
Regulations Amendment Act, 1995**

THE CHAIRMAN: If you'll remember from the last time we met on this matter, the hon. Member for Fort McMurray moved on behalf of his colleague the hon. Member for Calgary-*Buffalo* the first of a series of amendments, which we'd indicated as A1. A1 is: section 2 is amended by striking out proposed subsection 1(1) and substituting.

The hon. Member for Calgary-*Buffalo* wishes to speak to this?

MR. DICKSON: I sure do, Mr. Chairman. Thank you very much. The amendment was put forward, and the reasons for it were explained clearly, I thought, by my colleague from Fort McMurray, but I'll put my own perspective on it. There may be some members here this evening that weren't present the other day when this came forward. There may be some members who say: why do we need this amendment to Bill 46? The answer, I think, is as simple as this: without this amendment, regulations

and other kinds of subordinate legislation will continue to be crafted and enacted in private. It's as simple as that. Encapsulated in this single amendment is the requirement that before subordinate lawmaking is done, it be done in an open way, and that means through the Standing Committee on Law and Regulations.

Now, we were chided by the Member for Peace River in his customary gentle way the other day that we weren't looking at his work plan, and he expressed his concern and referred all members to the Alberta regulatory reform work plan. It's subtitled, interestingly, *Improving the Alberta Advantage*. He suggested that if we would only look at this, we would find answers to many of the process questions, the queries that had been raised in second reading on Bill 46.

Now, I'm glad the member drew our attention again to the work plan, because I think that every time I look at it, I realize there are some things missing. I wanted to go back and try and summarize as best I could why it seems to have so many big holes in it. I decided, Mr. Chairman, that the very best way I could illustrate what's missing from the government's work plan is to look at the Zander committee report. There's a certain kind of delicious irony in the fact that in November of 1994 the government brought out its booklet entitled *Alberta Government Deregulation: Back to Basics*, and this was authored by the Alberta government caucus task force on deregulation. Interesting to contrast that and the work plan on the one hand with the Zander committee report from – yes, this was November as well – November 1974.

It's often been said in this Chamber that legislators are wont to attempt to rediscover truths and claim a proprietary interest. When the Member for Peace River and the Government House Leader and the Premier, for that matter, come along and say, "We've got a new approach; we're going to be aggressive in terms of trying to deal with regulations, streamline subordinate lawmaking," why wouldn't they look back to an excellent report done 20 years ago which identified the issues and did it better?

You know, one of the most important differences between the set of documents that this government has generated, being the work plan and the *Back to Basics* booklet, and the Zander committee report done 20 years ago is that the Zander committee report recognized the importance of public involvement. If you look through the government work plan, we see a list of advantages to this new policy procedure; we see all kinds of new structure and structural detail. But when you look through the work plan, you look in vain to find a commitment to the principle of public consultation. When you look to find out the role that legislators have in subordinate lawmaking, you find there's none.

Now, contrast that with the Zander committee report 20 years ago. I regret to say as a member of this Legislative Assembly that we have to take a lesson from those who sat in these seats 20 years ago to understand really what the key issue, the key principle is. I think it's summarized very well at a couple of points, but I'd refer members in particular to page 2 of the Zander committee report. I'll paraphrase here to save time. The committee decided to be governed by certain principles, and they talked about these principles as being, and I'll quote – well, the margin has been cut off by my photocopier so I won't quote but I'll go back to paraphrasing. The principles broadly accepted certain characteristics of parliamentary democracy, and here are the words, and I will quote this: "which should remain inviolable."

They cited four principles that governed and directed all of the balance of the Zander committee report. The first one: "The people shall be governed by law rather than by officials." I

challenge any member in this Assembly – the Member for Three Hills-Airdrie, who wrote the original task force report, the Member for Peace River, or any other member of this Assembly – to stand up and say that that principle isn't as important to Albertans in November 1995 as it was to Albertans in 1975.

The second principle: "Laws shall be made by a legislative body made up of elected representatives." Again, I challenge any member in this Assembly to stand up and say that that's not as important today as it was 20 years ago.

The third one: "Laws shall be proclaimed and published and readily available to the people." Surely that's as important now.

Finally: "Laws shall, in the main, be codification of what are termed natural laws or implicit rights and privileges."

So what they did 20 years ago when they wanted to do regulatory reform is they started with a set of principles. You know, when I look through and I look at the handiwork of the Member for Three Hills-Airdrie – and gosh knows she's one of the hardest working members in the Assembly – she certainly has produced a very substantial report on regulatory reform, but there's no declaration of principles like that. In fact, that second one I read out, about laws being made by elected people – the first one, I don't have to recite again – simply isn't in the government's work plan, and it's not in the Back to Basics booklet.

There are some other lessons that we can learn, and this amendment tries to draw I think on some of those lessons that came from this experience 20 years ago. I should just mention that the Zander committee report wasn't a group of political or legal lightweights that were involved in designing this. The people on the committee included the chairman, Mr. Rudolph Zander, MLA; Graham Harle, who went on to become solicitor general in this Assembly; Catherine Chichak, certainly well-known to members; Mr. Robert Clark, currently in high esteem in this Assembly as Ethics Commissioner and Information Commissioner; Edgar Hinman; Bill Diachuk. These are people who were experienced legislators. They certainly knew the way government worked.

Where did the committee draw its raw material from? Where was the material from that went into this? Well, they didn't sit in this Assembly and talk to themselves. This was an all-party committee, I might add, something that's become an anomaly in this current Legislature. They consulted and they consulted broadly. They had created two subcommittees. One subcommittee went to Quebec City, Ottawa, Toronto; the other one went to Winnipeg and Regina. In those places they talked to legislators. They talked to lawyers. They talked to academics. They talked to people who were experts on regulatory lawmaking. They held public hearings in Calgary; they held public hearings in Edmonton. They did things that, you know, we could benefit from doing again today. They took out advertisements in the major daily newspapers.

**9:00**

You know something, Mr. Chairman? They got over 2,000 written submissions. Two thousand written submissions. You know, when the current government comes along and thinks they've truly reinvented the wheel, they didn't do the same kind of public consultation, and they sure as goodness didn't go outside the province as aggressively as the Zander committee did 20 years ago.

What kind of people acted as resources to this committee? Well, I said they're not legal lightweights. We had Mr. J. E. Côté, who's currently a member of the Alberta Court of Appeal, the highest court in this province, a distinguished lecturer who not

only managed to get me through contracts in first-year law school but has gone on to write lucid and powerful judgments that guide Albertans in all manner of life; Mr. G. McClellan, the first Ombudsman, a former superintendent or chief inspector of the Royal Canadian Mounted Police who became the first Ombudsman for the province of Alberta; Mr. A. Weir, a very prominent barrister and solicitor in this province; the late Gordon Wright, formerly a member of this Assembly, MLA for Edmonton-Strathcona, but at that time he would have been a solicitor in practice but one with a very, very powerful reputation; Professor Wilbur Bowker, the man that Albertans have associated with the University of Alberta law school and clearly one of the preeminent legal authorities in this province; Professor Fred Laux, University of Alberta law school; Mr. A. M. Harradence, then a barrister and solicitor, now a senior member of the Alberta Court of Appeal. I can go on and on and on. No lightweights on the Zander committee report, no lightweights advising the committee and looking at that input.

Do we really think that we're so smart in 1995, 20 years later, that we can come along and without as much as even a reference, not as much as a single reference to the excellent work that was done 20 years ago, think that we've got a brand-new regulatory plan? Well, let me go back to the Zander committee report and tell you something else, Mr. Chairman. They didn't just travel around and talk to Albertans and talk to Legislative Counsel and people around the province. They identified some of the preeminent experts in Canada: Senator Eugene Forsey, chairman then of the Joint Committee on Statutory Instruments; Mr. Gordon Fairweather, co-chairman of the Committee on Statutory Instruments. I could go through the list. It all appears on page 1 of the Zander committee report. It's in the Legislative Library. I'm sure there'll be a run on this, so the call letters in the Legislative Library are CA2ALXC274R27C1. It's impressive just getting past the first page and looking at the kind of input that went into the Zander committee report.

What did the Zander committee report look at when they came up with their conclusions? They looked at an enormous range of things, and it wasn't just in Canada. What they did, Mr. Chairman: they looked at what happens in the United Kingdom; they looked at the process to deal with regulations in New Zealand; they looked at the way regulations are handled in the nation of Australia; they looked at the way three of the states in the nation of Australia handle regulations; they looked at a number of American states; they looked at the nation of India. This was not something hatched in a back room in the Legislature. They went as broad and as far to get expert advice as they possibly could. I come back and say again: why do we trash that good work? Why do we ignore it? Why do we think that we're so much smarter than all of these people were 20 years ago in terms of coming up with this new plan? It may be that members in the government now are so much smarter than the members 20 years ago on that all-party committee that they've discovered some kind of truths that weren't apparent to the people I've cited 20 years ago. If that be the case, Mr. Chairman, can we at least ask for them to deal with the recommendations from the Zander committee 20 years ago and tell us why they won't work 20 years later, in 1995?

This first amendment really comes from one of the key recommendations. To members that don't want to read through the whole 39 pages of the Zander committee report, you need only look at the recommendations which have been pulled together in the first two pages. The key ones really start at number 33.

The first 32 recommendations, interestingly, have been adopted in this province. They were adopted shortly after the Zander committee report, and we operate under them today. Much of our process to deal with regulations came from the recommendations in that report.

Look at the recommendations from 33 to 41. It says, first, number 33, that there be this standing committee that "should have the usual powers of a standing committee of the Legislature." So we went that far. We created the standing committee, and every time after an election we go through this nonsense, this bogus exercise of appointing a chairman and appointing members of the Assembly to staff, to man the committee.

The next recommendation in the Zander committee report was:

34. that it should be the main task of such a committee to scrutinize regulations and other statutory instruments after they have become law.
35. that the terms of reference of such a committee should be broad enough to allow for the consideration of merit of a particular piece of subordinate legislation together with some incidental consideration of the empowering legislation involved.

It goes on, and it talks about the committee having "the power to call witnesses." Now, that's a pretty radical notion: that to keep bureaucrats on their toes, to ensure that government empire building doesn't get out of hand, to ensure that regulatory lawmaking doesn't go too far and doesn't start serving contrary purposes, we allow witnesses to come and address the committee.

What are some of the other recommendations?

38. That all regulation-making empowering clauses in Alberta legislation [be] permanently referred to [the] standing committee.

I might say parenthetically that the other day in second reading I think the Member for Peace River – and there may have been one other government member who stood up to actually attempt to join the debate. There was concern about the volume of regulations: too many. Well, if one goes to the recommendations – and I don't propose to read all of them from 33 to 41 – there are concrete recommendations here in terms of how you deal with a large volume of regulations. It didn't deter these people 20 years ago. They thought they could come up with a means to do that, Mr. Chairman, and I think we're as competent as the Legislature was 20 years ago to empower a committee to be able to deal with regulatory lawmaking.

Anyway, I think that I could make some recommendations in terms of how this committee would operate. It would be that all regulations [would] stand permanently referred to it. It [would] strive to operate in an objective and nonpartisan way.

You know, this brings to mind a comment made by the Member for Peace River the other night in second reading, when he said that bipartisan committees don't work. Well, it seems to me that I can think of previous few of them – the government has created umpteen dozen task forces and consultations, all of them without representation from the opposition side. I would challenge any member to say that the committee chaired by the hon. environment minister that dealt with freedom of information wasn't able to work.

**9:10**

Prior to that, a committee that was struck that included representation from both sides was not only asked to come up with ways of revising and updating our parliamentary procedure but in fact came back with a report that was adopted by members of this Assembly, incorporated into the Standing Orders, and we operate under those very rules today. So don't tell me and don't

tell any member in this Assembly that an all-party committee can't work. It will work if there's a will to make it work. I think something as important as dealing with subordinate legislation is absolutely ideally suited to that kind of bipartisan control.

Anyway, I'll come back and make some other observations later, Mr. Chairman. Thank you.

THE CHAIRMAN: The hon. Member for Peace River.

MR. FRIEDEL: Thank you, Mr. Chairman. I'd like to address the comments that the Member for Fort McMurray made yesterday in introducing the amendment and also some of the comments that the Member for Calgary-Buffalo made this evening in speaking to it. Starting out, the Member for Fort McMurray made some vague references about what was available in the Legislature Library, and for the life of me I couldn't figure out what relevance that had to this amendment. He talked about section 10, the ability of the "Lieutenant Governor in Council . . ." to "repeal a regulation that is spent." Quite frankly, if that's his idea of regulatory reform, only to repeal a regulation that is spent, I'd have to suggest that I'm kind of glad that I don't have to rely on that kind of input.

Mr. Chairman, that's not the purpose of this program. We want to eliminate regulations that are unnecessary and to eliminate those that are not current and to change those that are not in plain language and that are not cost-effective and those that don't have simple procedures for people who have to be affected by the impact of them. This is not an arbitrary or indiscriminate process, as he suggested; it's a very deliberate and well-mapped plan. I still challenge that member and the others that have commented earlier to in fact read the regulatory reform work plan. It is all laid out in there.

He talked about grandfather clauses. I'm not sure where he got that from. Grandfather clauses refer to carrying forward or protecting existing interests.

MR. DECORE: Mr. Chairman.

THE CHAIRMAN: Hon. member, we appear to have a point of order. The hon. Member for Edmonton-Glengarry is rising on a point of order.

#### **Point of Order Questioning a Member**

MR. DECORE: Would the hon. member permit a question?

MR. FRIEDEL: Sure.

#### **Debate Continued**

MR. DECORE: I think I'm correct, hon. member, that you were part of the Assembly voting at the request of the Government House Leader on the names that were put forward for names that sit on and become part of the Law and Regulations Standing Committee. That being the case, what is it that you intended when you voted for those people to serve on the committee? What is it you intended that they do?

MR. FRIEDEL: The member is correct. As most of us I'm sure were here when the committees were established, this was a recommended list of people that would sit on these committees and carry out certain duties. In this process – and it refers likewise to the comments that the Member for Calgary-Buffalo



made in suggesting that the law and order committee would be able to accomplish this purpose – I would suggest that the bipartisan committees are very slow. They're cumbersome.

This allows me to address the comments that the Member for Calgary-Buffalo made. He suggested that I said that bipartisan committees don't work. I said that they're so slow as to be inefficient. This process with the number and volume of regulations that we're dealing with – I cannot believe in my wildest imagination that we would in our lifetime accomplish the review.

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

THE CHAIRMAN: It is not a point of order.

MR. DECORE: It's a point of order, a question. I don't think the hon. member heard my question.

#### Point of Order Questioning a Member

THE CHAIRMAN: Hon. member, you can't have a point of order. He's answering you on your point of order, and when he's finished, there's no challenge to the answer. If you then wish to ask a second question, he may entertain that.

MR. DECORE: I don't think he heard the question.

THE CHAIRMAN: This point has been up before, hon. Member for Edmonton-Glengarry. When one rises under the provisions of *Beauchesne* 333 and 482 – is it? – to ask a question and the question is accepted and the question is given, the responder is the one that determines the quality of the answer. If you then wish to ask a second question, that's okay, but you can't have a point of order on the question on the point of order, is all we're trying to say.

MR. DECORE: Mr. Chairman, I'm not trying to be difficult. It appears to me that either I didn't articulate the question clearly enough or the hon. member didn't hear the question that I posed. My simple question is: when he voted for me to sit on the Standing Committee on Law and Regulations, what is it that he intended me to do on that committee?

THE CHAIRMAN: Hon. member, if you've given your answer, you may continue. If you've not answered the question and wish to do so, you may do so, but this provision is not a cross-examination type arrangement.

MR. FRIEDEL: I believe, Mr. Chairman, that I did answer the question. Basically, I think even the youngest of us would have long gray beards before that committee would be able to accomplish the task that we have before us.

#### Debate Continued

MR. FRIEDEL: Mr. Chairman, if I can continue. With reference again to the comments that the Member for Fort McMurray made, he talked about grandfather clauses, and I said: I'm not sure where he got that. I don't think – as a matter of fact I know for a fact that that word doesn't appear in any of our documents. It has never come up in any of the discussions. Grandfather clauses would refer to carrying forward or protecting existing interests. Again this would make me somewhat nervous about his concept of regulatory reform. In our process we talk about sunset clauses,

not grandfather clauses. Sunsets are termination dates. They're deadlines. Our plan means business, and this is a business plan that has real consequences for noncompliance.

The Member for Fort McMurray also suggested that we would jeopardize our interest in regulations that are jointly administered with the federal government. If he again had read any of the documents, he would have noted that there are special provisions for recognition of federal/provincial equivalency agreements and any of the regulations that are administered under them. We have done our homework.

The Member for Calgary-Buffalo this evening made comments that regulations should continue to be crafted and enacted in private. I'm sorry; my notes here are a little difficult to read. I was scribbling. He suggested that under our plan regulations will continue to be crafted and enacted in private. I'd like to quote, Mr. Chairman, the section that talks about a consultation. One of the questions, probably the key question, in the regulation impact report says: "What specific groups, individuals, government departments, boards or agencies are affected by this regulation?" Have the affected groups and/or individuals been consulted about the implementation or amendment of this regulation, including the final draft version? Specifically, who was consulted, and what was the process of consultation? What were the results of the consultation? What were the opposing views expressed? How does the regulation address the opposing views? I'm not so sure that you could get much clearer about a consultative process.

He referred to a 1974 report. I'm suggesting that if that report was so good, why wasn't it effected at the time?

The principles he quoted are not in dispute. What he forgets is that all too often many reports have superb preamble sections. They're full of motherhood statements and great objective and purpose statements, but they've got no substance. A plan needs some action and it needs some teeth. He referred to this report where they talked to lawyers and academics and experts and judges, and he forgot about ordinary people, the ones who are impacted by the government regulations.

#### 9:20

Further, Mr. Chairman, this report talks about the effect of regulations in the United States and Britain and Europe and India, and I suggest that there probably are similarities, but we're talking about Alberta here: regulations that affect Alberta people, not people in other countries. He suggested – and I guess this comes out of the report – that the process should scrutinize legislation after it has become law. I think they should scrutinize legislation before it becomes law, before it becomes difficult to change.

His last comments about bipartisan committees I think I've answered in my comments to the Member for Edmonton-Glengarry.

With that, Mr. Chairman, I look forward to some more interesting debate.

THE CHAIRMAN: Okay.

The hon. Member for Edmonton-Mill Woods.

DR. MASSEY: Thank you, Mr. Chairman. I'd like to speak in support of the amendment which essentially asks that the approval of the Standing Committee on Law and Regulations be gained before any of the regulations filed under this are deemed to be necessary or relevant. I go back, I guess, to the context of the amendment, and that's the Bill itself, and I have great sympathy for the Bill. I think you don't have to be in the business community long talking to people, whether it's large or small business,

to hear complaints about regulations and the way that those regulations seem to get in people's ways, and that applies not just to provincial regulations but to municipal and federal regulations. So I have great sympathy for the kind of work the committee undertook and the kinds of goals that they were seeking to achieve.

As I read the news release of May 10, 1995, though, I was struck by whose interests were being served. If you read the members of that committee, you find that the Member for Peace River as chair is joined by the Canadian Federation of Independent Business, the Alberta Chamber of Commerce, and the Alberta Economic Development Authority, and those are constants. They are at all the hearings. They are overseeing this whole project, and that's as it should be. There should be a strong voice from business, but I worry. I worry when they sit and I wonder who asks and who speaks as constantly for the interests of consumers. Where is their constant voice in this process and in this committee structure? I wonder who speaks and assures the broader public interest. The press release indicated that it was building on work that had gone before and that there had been 1,300 stakeholders and a variety of organizations. I assumed there were consumer organizations and the broader public, but there's no assurance. We don't know the nature of those deliberations, and our experience with roundtables doesn't leave me, anyhow, with a lot of confidence in the thoroughness or the kind of wide public input that public policy rightfully deserves. I'm concerned. I want to know who is the constant for the public in this process. That leads me to the whole question.

The last comments of the Member for Peace River worry me just a little because the lack of faith in this Assembly and its bipartisan committees is I think somewhat disturbing. I hope that's not a sentiment that is supported by all members on the other side of the House, because bipartisan committees have a great history and have done inestimable good work for this province. So I hope that he will clarify exactly what he means by the work of bipartisan committees.

Again, following on the question that was asked, I too am left with the question of why the Law and Regulations Committee was put in place by this Assembly. Why has it been ignored? If it is as inefficient or as ineffective as some of the government members seem to pretend it is or state it is, why hasn't something been done about it? It seems to me that that's where the repair work should start.

With those comments, I look forward to the member's response.

**MR. FRIEDEL:** Just a couple of brief comments, Mr. Chairman. The Member for Edmonton-Mill Woods referred to the membership of the task force on May 10, 1995, which was the five members which originally were appointed to the task force. I would suggest they should look at the current list which includes 31 members. Besides assorted businesspeople and individuals it includes the executive director, for example, of the Alberta School Boards Association, a lawyer for the Environmental Law Centre, the registrar of the Alberta College of Physicians and Surgeons, two farmers, and the chair of a regional health authority. I would suggest that this is a fairly well-rounded task force membership.

My comments about the effectiveness of the Law and Regulations Committee – I think I made the comments. I don't think it would serve any purpose to repeat them.

**MR. DICKSON:** Mr. Chairman, with respect to the comments just made by the Member for Peace River, what I find puzzling

is he thinks that this committee wouldn't work. For that to be a credible observation, doesn't he have to give it a try? Doesn't he have to at least, as I suggested at second reading, try the committee for six months, see if it's not able to do the job and do it more effectively than any other group? For him to sit there and say, as he has, that the committee can't do the job when we've identified at least two all-party committees that have been successful – with respect, I'm surprised the Member for Peace River suggests that the Premier's panel on freedom of information wasn't efficient. Gosh, we toured the province; we heard representations, people all over the place. We wrote the report in jig time. The panel was struck in September, and by November we had a comprehensive report that made a series of recommendations, most of which were carried forward into the current freedom of information Act. So it seems to me that he had a dramatically different experience than I did. I think he may have been thinking of another committee when he made that observation.

The other point is: I think frankly when he says that the Zander committee didn't talk to ordinary people, he may not have been listening when I'd cited the 2,000 submissions they received from Albertans. Those weren't from experts, hon. member. Those were from businesspeople and farmers and merchants and homemakers. Those are the kind of people that made submissions. So you do an enormous disservice to those people 20 years ago who in good faith told their government how they thought lawmaking should be done.

[Mr. Clegg in the Chair]

I should add this, Mr. Chairman. I'm still waiting for this member to say that they've looked at the Zander committee report and they think it's nonsense, they think it doesn't make sense. I would have thought that at minimum – at minimum – in the Back to Basics document, the work plan that he's so fond of, that they would have done some analysis of it. There's none. It really is as if all of that work, all of that input, all of those recommendations are to be ignored.

**9:30**

Now, Mr. Chairman, I'll just quote this one paragraph on page 37 of the Zander committee report, because it's so essential to the amendment that's currently before this committee.

The history of subordinate legislation, as discussed in the first two chapters of this report demonstrates the need for parliamentary supervision thereof. In fact, one of the main points of the first two chapters of this report is to establish and illustrate the continuing need for proper parliamentary supervision and scrutiny of subordinate or delegated legislation. In addition to the historical study, the Committee had the pleasure of visiting several legislative jurisdictions in Canada and corresponding with numerous others abroad. From this research and discussion, the findings of this Committee all support . . .

And I emphasize "all support."

. . . the establishment of a scrutiny committee of the Alberta Legislature to maintain constant supervision over the past, present and future state of subordinate legislative materials.

It doesn't say that there was a mixed opinion, that some people thought it was a good idea and some people thought it was a lousy idea. Everybody who made representations urged that kind of oversight.

Now, the final thing I want to say, because I know there are other members that wish to speak and join the debate – the member talks about the fact that his report contemplates and reflects input from different sectors of the community. This

touches on a problem we have in this Assembly that's manifest in all kinds of Bill debates, and it's this: there is a world of difference – a world of difference – between the government going and talking to some so-called stakeholders and a general consultation with the public or at least allowing properly elected people to have input. Why? Well, simply this: who determines who the stakeholder is that's going to be consulted? The Member for Peace River? The Provincial Treasurer? The minister of advanced education? What if they forget somebody? Are they going to come up with a list of stakeholders that would be the same list I'd come up with or the Member for Calgary-Cross? You know, this isn't some kind of a universal truth in terms of identifying who the appropriate stakeholders are. It becomes a subjective exercise. The Provincial Treasurer most assuredly would come up with a different list of stakeholders than I would. The difference is that everybody elected to this Assembly has to address the bigger public interest, not a small group of so-called stakeholders.

So I wanted to make those observations and say that I'm beginning to think, Mr. Chairman, that the Member for Peace River hasn't gone through the Zander committee report as carefully as I'd hoped he would, when he comes in front of this Assembly and asks us all to support his recommendations and his report. [interjection]

I see the government Whip has some concern. It's interesting. I would have thought that that member, who's had some considerable experience in the House, more than many of us, would appreciate more than most of us perhaps how important it is that there be that all-party review of subordinate legislation.

With that I'll sit down and let my colleagues join the debate.

MR. FRIEDEL: Well, I just can't resist, Mr. Chairman, the Member for Calgary-Buffalo. It certainly is his right to disagree with our concept. I guess if it wasn't for that, we wouldn't be debating here. The all-party committee that he's talking about has some purpose. He made reference to the fact that the freedom of information review committee was effective. I was actually a member of that committee along with the Member for Calgary-Buffalo and others, and I am not even going to debate that it did have some good effect. I think the solution was a good one, but he overlooks the fact that that was a one-task, single-issue review.

What we're talking about here is 17 departments plus numerous boards. There are several hundred regulations. As a matter of fact, when I introduced second reading, I mentioned that in our best estimate there are over 15,000 pages of regulations. I will have to continue, I guess, to believe that this committee structure would not work with this type of a task, with this many facets. No doubt we're going to continue to disagree with members opposite, and I guess we'll just have to debate and let the Legislature decide which is the better of the two options.

THE DEPUTY CHAIRMAN: The hon. Member for Edmonton-Manning.

MR. SEKULIC: Thank you, Mr. Chairman. It's a pleasure to rise and speak in favour of the amendment put forward by my colleague for Calgary-Buffalo. That amendment, as my colleague has well described, would see the inclusion of a clause which states: "subject to approval of the Standing Committee on Laws and Regulations."

I guess the critical point that needs to be made here is that that standing committee is a representation of this full Assembly, and

more importantly it's a representation of 2.7 million Albertans as they voice their desire as to who is to represent them. So I would like to see that this committee and its committee structure be utilized.

It's very disappointing that in the two and a half years that I've been in this Assembly and many years before my arrival to this Assembly that committee has never met. I've heard a lot of defence for different ventures which haven't worked. They've been defended almost convincingly, yet in the end they've failed. Here we have a committee which hasn't been tested, which hasn't been given an opportunity to do any work, to do the work that in fact those members of that committee were sent to this Assembly to do. I'm a bit concerned when I hear comments that say this task is far too large, the enormity of this task is well outside the scope of this committee. Well, I can't agree with that comment. I don't know what's outside the scope of this committee, this committee that hasn't met.

The members of that committee, as I know them, are very bright, capable individuals and representatives, and I'm sure they would be up to the task, should they be given the opportunity. I'm just wondering whether it's more than the enormity of the task which is the point of dispute here. What I think, personally, is that perhaps it's the fact that there's all-party representation on that committee. That may be the offensive point or the needling point to getting this amendment passed, not in fact the enormity of the task.

Everyone knows that the Member for Calgary-Buffalo was single-handedly perhaps the largest and most significant driving force to the freedom of information Act in Alberta. Of all the members I've heard speak in this Assembly, this is one member who, when it came to freedom of information in particular – but I don't want to restrict it to that – read each and every clause and thought out how it would be implemented and how it would benefit Albertans. So when someone says that the enormity of a task is beyond that committee, which my colleague for Calgary-Buffalo is on, I have to disagree. I have to disagree because I've seen this member work. Certainly he's exceptional in his ability to grasp large amounts of information and then bring them down into a manageable and workable amount. I know the Minister of Labour agrees with me because I see him nodding across the way. He definitely agrees because he, too, has seen the Member for Calgary-Buffalo perform what some would even refer to as miracles.

Mr. Chairman, one of the concerns I have about regulatory reform, that doesn't occur with full, I guess, representation of elected members through the Standing Committee on Law and Regulations, is that we may start eliminating regulations which are required but which aren't enforced. Now, just because a regulation isn't enforced doesn't mean that its need has somehow expired. It may be convenient and in fact economical to do away with it, but that cannot be used as an argument to do away with regulations.

9:40

One I recently brought up to the good minister responsible for transportation and ALCB and the Racing Commission and other gambling ventures, Mr. Chairman, was this instance that one of my constituents was having difficulties with, and that was the sale of liquor. What this constituent of mine does is deliver alcohol; they have a company which offers a delivery service for alcohol. This has become quite popular apparently since 1993, since the government that was formed was a Conservative government. Nonetheless, they deliver alcohol to residences, and there is a

regulation which requires them to deliver only to residences. One of their competitors delivers to businesses, or so this constituent claims, and they in fact have provided me with an advertisement found in some local newspapers which indicates that their competitor delivers to businesses, which is against the regulations. When my constituent asked that that regulation in fact be imposed, there was nothing but shoulder shrugging.

Now, Mr. Chairman, here's an instance where I think that perhaps there is a need for that regulation. However, a government member may see or this committee that is going to be formed for regulatory reform may see: well, we're not enforcing it; over the past five years we've enforced this regulation once; therefore, it doesn't need to exist. Absolutely wrong. I think many of the regulations here are contingent upon the legislation which we pass in this Assembly. They're critical to the proper operationalizing and implementation of the laws which we pass in this Assembly, and I don't think we can just farm them out to a committee, which wasn't elected, and assume that that committee is going to deliver in the same interests that lawmakers, which passed the laws, would have assigned to those regulations. So I have a serious concern with taking that sort of function out of the Assembly or representation thereof.

I have taken the time to read the Alberta Regulatory Reform: Improving the Alberta Advantage work plan. I think there are some very good ideas here, and I think it would be a great document to refer to the Standing Committee on Law and Regulations as a reference document. I commend those members of the regulatory reform committee, who put in many hours as volunteers to come up with this work plan. However, I do think it would be only the basis of any work that the Standing Committee on Law and Regulations would and could do.

There's one instance in particular which struck me in that work plan, and that is found on page 3, where it states that they're now going to the areas looking at how each regulation will be considered for possible elimination or amendment. One of the clauses on page 3 states that "the cost of administration, and/or compliance, shall be measured against the return benefit." Well, you know, one of the most controversial laws or I guess activities of government in the last little while – many may think that it's loan guarantees, but it's not really. There's another area, and that's photo radar. Now, it may have an economic benefit, but what real benefits are we looking for? I think that perhaps by this criterion photo radar would be an acceptable approach, because its return or benefit would be significant. However, I wouldn't be in favour of that. It may pass this test outlined in this work plan, but it wouldn't pass a test that I would be part of, and I don't think it would pass the test put before the Standing Committee on Laws and Regulations.

So when we speak of return benefit, I think that is the critical link to the laws that this Assembly passes, and because it's such a critical link to the laws that this Assembly passes, I think it's equally critical that a representative group of this Legislature be part of any changes or amendments or reforms or in fact, where need be, elimination of amendments. I know that the Provincial Treasurer would agree with me that there are in some instances and perhaps in many instances areas where regulations could be eliminated. This committee, led by Calgary-Shaw, however, could probably quickly scan through that. After we saw the exemplary work he did on Bovar – if the Member for Calgary-Shaw can deal with Bovar, I know that he can deal with a large volume of regulations in an efficient way.

Mr. Chairman, I think I've made my point abundantly clear, that I'm very much in favour of this first amendment to Bill 46, specifically to section 11(1), which would put the approval of any

changes, amendments, or elimination of regulations back in the trusted hands of the Standing Committee on Law and Regulations, as chaired by the Member for Calgary-Shaw.

THE DEPUTY CHAIRMAN: The hon. Member for Clover Bar-Fort Saskatchewan.

MRS. ABDURAHMAN: Thank you, Mr. Chairman. I rise to speak in favour of the amendment. I firmly believe that when we're doing reviews of regulations, the final body to make that decision should indeed be this Legislature. I believe that the Law and Regulations Committee was put in for a good reason and would have served a very useful purpose if indeed it had been allowed to meet and carry out the function that it was designated to do.

You know, we hear from the government side of this House that there are 15,000 regulations. It sounds an awesome amount when you say it like that, but, Mr. Chairman, it's no different than looking at public accounts or the Auditor General's report. You break it down into departments, and the numbers become more reasonable and more workable.

What scares me most about this Bill is that we know that today in Alberta there are significant regulations that are in place to ensure safety on our roads that are not being enforced. To suggest that we're overregulated in the province of Alberta when it comes to safety and environment I think would be a gross overstatement. I look at the KPMG project report, that was prepared for Alberta transportation, dated June 28, 1995, and find the findings in that report appalling when it comes to the safety of trucks on our roads. You're looking at over 30 percent of vehicles with mechanical defects sufficient to put the vehicle out of service on the roads in Alberta. Thirty percent of all trucks are mechanically defective. Now, what's the cost to society when trucks are on Alberta roads with that level of defectiveness? They result in accidents; they result in fatalities. Not only are they mechanically defective, we look at them being significantly overweight. What does that do to our infrastructure, to our roads?

You know, when you look at the findings in this report and you go to the societal costs due to collisions caused by vehicles with mechanical defects, it's costed out at \$93.4 million to the province of Alberta for collisions for defective vehicles, specifically trucks. Yet we have regulations in place today that should put these trucks off the road. So in essence what this report is telling this government, their own report, is: you're not even enforcing the regulations you have in place. It's an indictment, Mr. Chairman. It's appalling.

9:50

Now, if the members are looking puzzled across there and wondering what report this is, it's been requested by Alberta Transportation and Utilities for the attention of Mr. Don Szarko, planning, research, and systems support, for Motor Transport Board and services. I'm hearing, Mr. Chairman, through law enforcement people in the major cities in the province of Alberta that not only are the regulations not being implemented, they're talking about removing them. Now, if a Minister of Health or anyone with health care background doesn't understand the cost to Albertans when you've this level of unsafe vehicles on the road, then we really are in a tragic situation in the province of Alberta. Whether it be regulations that are going to be removed because there's a directive from the ministry down into the bureaucracy – and that's happening in transportation right now.

When they're removed, if we've got 30 percent of vehicles that are unsafe on the road, what's it going to be like when the regulations are completely gone and the inspection that the law enforcement people can do today has no clout because the regulations are gone? That's a frightening scenario. It's my understanding that Albertans are becoming aware that there is a crisis on our roads because of unsafe vehicles and that this government has to take some action.

Now, looking at the area of environment. We start to look at the policy objective of this Alberta regulatory reform, and you look at people helping people to be self-reliant, capable, and caring. Well, what about the person that some truck has created a lifelong disability for? How do regulations fit in there when we're talking about removing these very regulations that would keep people self-reliant, capable, and caring?

We then look at preserving the Alberta tradition of strong communities and clean environment. In our own community, the city of Fort Saskatchewan, in Clover Bar-Fort Saskatchewan, Strathcona county, we've seen a major incident at Dow Chemical; we've seen a major incident in May with Shell. This is all self-regulation. I told this House the last time I was speaking to this Bill that through independent environmental monitoring, reading those computer printouts, you were able to look at the peaks where there was something happening in your environment, so you were able to react immediately. We find out in our communities only when the Justice department becomes involved and they take legal action. Industry turns around and says, "Well, you know, they've got to be seen to be doing something, so we are now going to be charged with this incident." I find it ironic that there's that cynicism out there that really the industry's only being charged because the provincial government have got to be seen to be keeping the environment clean and enforcing some of the regulations. That's atrocious.

A few years ago we realized we had to enter into partnerships with industry and ensure that our environment was kept clean. We've heard about Bovar and how the Swan Hills plant was used for hazardous waste. Well, yes, it did a job for a certain kind of hazardous waste, but the reality is that the deep wells have got gunk in there that nobody knows what to do with, with the risk of contaminating your water tables. We've got a gypsum rock pond in Sherritt Gordon that nobody knows what to do with. So our environment isn't safe. Our environment isn't cleaned up at this point in time, and to suggest that less regulation will keep our environment clean and preserve that clean environment I think, quite frankly, at this point in time in our industrial growth is ludicrous.

The other aspect of that is that when you are actually adding industry on top of other industries in a geographic area, we have to start looking at air sheds. You just can't keep multiplying a petrochemical linear development, adding on more emissions. You have to be responsible and come in with regulations that create an air shed. So instead of going in the direction that this government's going, I would be suggesting that you take the present regulations to the Law and Regulations Committee and see if they are indeed adequate for the province of Alberta in 1995 and if they're going to be adequate by the turn of the century. I do not believe that would be a deterrent to investment in the province of Alberta.

The other aspect is that when you're looking at specifically public health regulations, we've got mechanisms out there right now. You've got the Public Health Advisory and Appeal Board. They are dealing with appeals. If you use that mechanism where

bodies see through the appeal process inappropriate regulations and legislation that are inhibiting the marketplace, then they should be referred through the department to the Law and Regulations Committee to either be removed or amended to allow the marketplace to work. Very straightforward, not costly, and it allows the private sector a direct vehicle to the Law and Regulations Committee.

The way we're doing it here is through the back door, and right now in Alberta Transportation it's the bureaucrats that are making these decisions. We're going to see where the type of legislation that you need to protect safety on our highways is being completely removed. Why? Because somebody has phoned up their MLA and complained that they didn't want to have to put the tarp on their gravel truck? Because some farmer phoned up and said that he didn't want these regulations implemented as he's moving across the highway? That isn't safety, and it's not safety for the farmer. It damages vehicles that are transporting gravel, which is costly through our insurance system. It's not a saving to society, because that insurance cost is then passed on to the private sector because of the level of claims. That's what this report that this government has asked for is telling this government: that it's costly to society, that it's costly to the private sector.

You know, if you take the study and you look at the city of Edmonton and the city of Calgary, where it's required under law to tarp gravel trucks, the claims for motor vehicle windshield damage are substantially reduced and also damage to vehicles. They are substantially reduced. That means there are less claims to insurance companies that are then passed on through insurance premiums.

So, Mr. Chairman, to suggest that this Alberta regulatory reform policy objective is somehow going to enhance the Alberta advantage I think is an overstatement to say the least. I think that we have actually got some good legislation in place. We've got some good regulations if they were enforced in the province of Alberta. Where there aren't effective regulations and they're causing a negative environment for investment, well, let's deal with those, but let's deal with them in an up-front way, and that is through bringing them into this Legislative Assembly through the Law and Regulations Committee.

Mr. Chairman, I haven't heard anything that would change my mind that this isn't just another forum for taking the rights of Albertans to know what's going on out of this Legislature and just moving government behind closed doors.

Thank you, Mr. Chairman.

**10:00**

MR. DAY: Well, the member opposite may not have heard anything that changed her mind as far as this Bill, but I heard from her something tonight that has certainly strengthened my resolve to see this go through, and I hope other members heard and certainly it is forever in *Hansard*. She said with a tone of incredulity and amazement that to have a regulation changed, some farmer might phone up with a suggestion and have a regulation changed. She said that with such a note of cynicism. To think that, yes, an Albertan, a free-thinking Albertan, could actually phone up and present an idea that had merit and see a change. That struck her as impossible. Let alone a farmer, that a farmer could think of something that could result in positive change. It's that type of elitist, Liberal-minded, central-controlled thinking that confirms in my mind the efficacy of this particular Bill.

I'm happy to take to Albertans the fact that this Member for Peace River – in looking at regulations has he developed a process where he's dragged in politicians – Liberals, Conservatives, whoever they might be – to sit around a stuffy committee room and in a politically charged atmosphere assess regulations? No. Do you know what this member has done? He's gone out to the people of Alberta, to a variety of sectors, and said, "Do you as citizens want to give of your free time and come and sit with us and look at the regulatory process and make recommendations for change?" That's what the Member for Peace River did. Did he suggest a powerful so-called committee of MLAs sitting around? No. Of stuffed-shirt politicians? No. He went to the people. [interjections] I'm talking about the Liberals.

The Member for Peace River went to the people. Did he go to lawyers? No. He went to the people. You know what? He went to people like the farmers that this member, who doesn't think a farmer could have a good idea, is talking about and said, "Give us some ideas." One of the things they came up with was an automatic sunset on all regulations. Basic common sense, and the Liberals are opposing it.

That's why I think the committee should right now rise and report. I move that we do so.

[Motion carried]

[The Deputy Speaker in the Chair]

MR. CLEGG: Mr. Speaker, the Committee of the Whole has had under consideration and reports progress on Bill 46. I wish to table copies of all amendments considered by the Committee of the Whole on this date for the official records of the Assembly.

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

HON. MEMBERS: Agreed.

THE DEPUTY SPEAKER: Opposed. So ordered.

[At 10:05 p.m. the Assembly adjourned to Thursday at 1:30 p.m.]