

## Legislative Assembly of Alberta

**Title:** Wednesday, April 3, 1996 **8:00 p.m.**  
**Date:** 96/04/03

[Mr. Speaker in the Chair]

head: **Government Motions**  
**Adjournment for Easter Recess**

14. Mr. Day moved:  
 Be it resolved that when the Assembly adjourns on Thursday, April 4, 1996, at the regular hour of 5:30 p.m., it shall stand adjourned to Monday, April 15, 1996, at 1:30 p.m.

[Motion carried]

### Summer Recess

15. Mr. Day moved:  
 Be it resolved that when the Assembly adjourns to recess the spring sittings of the Fourth Session of the 23rd Legislature, it shall stand adjourned until a time and date for the fall sittings of the Fourth Session of the 23rd Legislature as determined by the Speaker after consultation with the Lieutenant Governor in Council.

[Motion carried]

### Adjournment for Installation of Lieutenant Governor

16. Moved by Mr. Day:  
 Be it resolved that when the House rises on Tuesday, April 16, 1996, in order to facilitate the installation of His Honour the Honourable the Lieutenant Governor, it shall stand adjourned to Wednesday, April 17, 1996, at 3 p.m.

[Motion carried]

### Ethics Commissioner's Reports

17. Mr. Day moved:  
 Be it resolved that the Assembly, as required under section 26(3) of the Conflicts of Interest Act, deal with the reports of the Ethics Commissioner dated November 10, 1995, and February 14, 1996, by receiving them.

#### Point of Order Admissibility of Motion

MR. BRUSEKER: Mr. Speaker, under Standing Order 13(2) I just question: are you accepting that as a proper motion?

THE SPEAKER: Well, yes. The Chair considered the motion after it appeared on notice and felt that it was in order.

#### Point of Order Pecuniary Interest

MR. BRUSEKER: Thank you, Mr. Speaker. Then I stand on a second point of order. I'd like to rise under Standing Orders 33(1) and (2). The issue here deals with the matter of pecuniary interest. The motion that we have before us today, Motion 17, which we are debating, deals with the report of the Ethics Commissioner dated November 10, 1995, also known perhaps colloquially as the Multi-Corp report. When you look at the report, of course, the person investigated in this particular issue

is the Premier. Now, when you look at the . . . [interjections]

THE SPEAKER: Order.  
 Hon. member.

MR. BRUSEKER: Thank you, Mr. Speaker. When you look at the government side of the House, there are a number of individuals on the government side of the House in particular who owe their fortunes to that of the Premier. The Premier of course appoints all of the members of cabinet, and therefore all of those members have a pecuniary interest.

One need only look at . . . [interjections]

THE SPEAKER: Order. [interjections] Order. [interjections] Order, hon. members. The Chair would like to hear this argument.

MR. BRUSEKER: Thank you, Mr. Speaker. That pecuniary interest talks about how much is paid, whether a person has a financial interest. We have centuries of historical parliamentary tradition that the leader of the government selects a number of individuals to serve in positions; i.e., the members of cabinet. If we look in the public accounts tabled in this House by the hon. Provincial Treasurer, for example, the Government House Leader receives \$44,000 as a cabinet minister, for which he serves as the Minister of Labour. That indeed is a pecuniary interest.

If we look at the entire list of those persons who are involved – and in fact we also have our *Members' Guide* that lists a number of indemnities that are paid to members for various positions. In addition to certainly the cabinet we have the government Whip, the deputy government Whip, committee chairmen's allowances: all appointed positions. Mr. Speaker, this does not apply to yourself as an elected member who serves this House and is elected by the members of this House, but all of those who are directly appointed by the Premier have a pecuniary interest as a result of the Premier's appointment. Therefore the fortunes, if you will, and the debate that will occur this evening centre around the Premier's fortunes.

One need only reflect back to 1992. For example, I had the opportunity to read the book written by the former Member for Peace River, the hon. Boomer Adair, and of course he refers to his being appointed initially by then Premier Peter Lougheed and then being unappointed from the department of transportation by the current Premier. We have a number of individuals who are currently sitting in the second row of the government benches who were cabinet ministers and are no longer cabinet ministers at the discretion of the Premier.

Those individuals who hold appointed positions, appointed by the Premier, have a pecuniary interest and therefore should not be included in the debate on this motion nor should they be included in the vote which will occur as per Standing Order 33(1). Mr. Speaker, I don't intend to list all of those individuals who have such a pecuniary interest. You need only refer to public accounts. I have mentioned the cabinet, the Whip, the deputy Whip, chairmen of committees. That lists a considerable number of individuals who are here this evening.

MR. DAY: Mr. Speaker, at times of desperation a desperate man will do desperate things. I know that the Member for Calgary-North West has consistently lost every single argument both in the court of public opinion and in this Legislature on issues related to this. I have never in my years in the Legislature heard such a

bizarre and totally unbiased argument as the one that just fell from the lips of the Member for Calgary-North West.

I would suggest, Mr. Speaker, that if he is saying, which has never been found before in parliamentary history, that members of this government should be removed from a vote because they have a pecuniary interest because of the Premier's appointments, well, there's something very fascinating that he's neglected. He's gone through a list of some of the paid positions in this House: Whip, deputy Whip, et cetera. Those positions are set and agreed upon by the Members' Services Committee, the majority of whom are appointed by the Premier. Therefore, it is as a result of a decision of the Members' Services Committee, appointed by the Premier. One of these little positions that the Member for Calgary-North West just happened to neglect to mention is his own honorarium of \$10,000 a year to be the Opposition House Leader.

Now, humbly I will submit to you, Mr. Speaker, that I receive no money. I do this humble job as House leader for no dollars. The Leader of the Opposition receives some \$44,000 as a result of a decision made by this government, and here the Opposition House Leader, who receives \$10,000 a year to stand up every Thursday afternoon to ask me what the business is going to be, for which I receive nothing, is now saying – if his argument is consistent, he has just disqualified himself from the vote.

I would suggest, Mr. Speaker, that there's not only no point of order; there's no point of logic.

THE SPEAKER: The hon. Member for Sherwood Park on the point of order.

MR. COLLINGWOOD: Thank you, Mr. Speaker. On the point of order, I listened very carefully to the arguments put forward by the Member for Calgary-North West and tried in vain to listen to an argument by the Government House Leader, because there was no argument by the Government House Leader. The issue that was raised by the Member for Calgary-North West is the issue of appointments, not the issue of salary. Somehow the Government House Leader got off on a tangent before he even started, talking about the amount that has been set in terms of the honorarium that is paid to those individual members. The issue before the House this evening as per Standing Orders 33(1) and 33(2) is the appointment of those individuals. The appointment comes directly from the Premier of the province of Alberta.

Mr. Speaker, the Premier of Alberta does not designate positions for the Member for Calgary-North West. The Premier of the province does not designate the opposition leader. The Premier of the province does appoint those individuals that were referenced by the Member for Calgary-North West: members of cabinet, the government Whip, the government deputy Whip, chairmen of standing policy committees, and the like. The issue is the fact that the Premier appoints those individuals, and as per Standing Orders 33(1) and 33(2) those individuals must therefore be disqualified from the debate and from the vote.

I'm prepared, Mr. Speaker, to hear reasonable and rational argument from the government side of the House with respect to this point of order, but so far I've heard none.

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

### 8:10

MRS. ABDURAHMAN: On the point of order, Mr. Speaker, we heard the House leader say that indeed there's no precedence for

this point of order. I would suggest that you certainly have precedence in municipal government, where quite clearly if you have a financial benefit, you have to declare that interest.

The Premier of this province appoints the members of Executive Council. You do not bite off the hand that feeds you, and that's in essence what these members of Executive Council will be doing if this point of order is not found in a positive vein.

Thank you, Mr. Speaker.

THE SPEAKER: The hon. Member for Grande Prairie-Wapiti, briefly. The Chair feels that it has heard almost enough, but the hon. Member for Grande Prairie-Wapiti.

MR. JACQUES: Mr. Speaker, I've been in this House for 34 months, serving on behalf of the people of Alberta and more specifically my constituency.

MR. HENRY: Serving on behalf of yourself.

MR. JACQUES: I beg your pardon, hon. member. Serving myself? That's your answer, not my answer. I serve my constituents. I don't stand up here and grandstand with that type of rhetoric. I mean, I can't believe it. As a member of this House, Mr. Speaker, I am elected by my constituents and not by that bunch over there. Don't they ever, ever, ever rise again to challenge my right in this House of Assembly to rise and to vote on a very crucial issue.

I could use the word "slime," Mr. Speaker; I will not use that word. But this is the most ludicrous, ridiculous position that has ever been advanced in any House, I daresay probably anywhere in the Commonwealth.

THE SPEAKER: Finally the hon. Member for Highwood.

MR. TANNAS: Mr. Speaker, the proposition put forward by the hon. Member for Calgary-North West makes me think back, not that I can remember except through books, of Macdonald's double shuffle of the last century and more recently of Arthur Meighen and the Beauharnois scandal and the Byng/King affair.

As you well know, I'm sure, Mr. Speaker, some years ago in the early '20s a government was in power, a Liberal government by the way, in a minority situation, and they lost favour in the House. They asked for dissolution, and the Governor General of the day refused that and said that there was another party that might be able to take office. So he invited Arthur Meighen, the leader of the Conservatives of the day.

In those days, in Macdonald's days and in Meighen's days, when you accepted office as a minister of the Crown, you had to resign and run separately, because there was a long-held feeling that once you accepted a salary from the Crown, then you somehow disadvantaged yourself as a member. Now we hear 70 years later, 75 years later the same proposition coming back. It's my understanding, Mr. Speaker – and I'm sure you're more aware of it than I – that that practice is lost from the 19th century and no longer exists in this part of the 20th century.

MR. EVANS: Very briefly, Mr. Speaker, this is an absolutely absurd argument from the opposition. If you review the decision from the Ethics Commissioner, very clearly the member opposite was asking questions about the member. The member. That gave him some status under the Conflicts of Interest Act. As a member the Premier has no ability whatsoever to pay any member of this

Assembly, the government side, the opposition side, or anywhere else. So to state that there is a pecuniary interest as a result of a review of a member, who happens to be the Premier, is totally absurd and has no merit whatsoever.

THE SPEAKER: The Chair may have missed something in the argument; I'm not sure. The first thing: a pecuniary interest, in the Chair's understanding, is a financial interest, a direct financial interest. All Members of this Legislative Assembly voted on the Legislative Assembly Act. None of them were in any way inhibited from doing that. The Members' Services Committee sets the pay and allowances of members, not the government.

But then the Chair feels it's important to consider what the motion before the House is. The motion before the House is that the Assembly receive the Ethics Commissioner's reports. There are two of them: one dated November 10, 1995, and the other February 14, 1996. It hasn't been made clear to the Chair. There's not any precedent that the Chair is aware of that any motion that's ever been presented to the Assembly has been considered one that affects the pecuniary interests of people. There can be legislation presented that affects the pecuniary interests of members. It's possible, and of course that's what the Standing Order is directed at, in the Chair's view. There's certainly not been any evidence presented to the Chair this evening that this Motion 17 could affect the pecuniary interests of any member, particularly when the motion doesn't say whether the Assembly accepts, rejects, or varies the reports referred to.

The present motion, which follows the form of the motion dealt with last year, is to receive these reports. It will be up to the Assembly in the end to decide whether the Assembly wishes to leave it at receiving the reports or to move on to take some more direct action with regard to those reports. At the present time the motion before the House in the Chair's view does not affect the pecuniary interests of any member of this Assembly.

The hon. Member for Calgary-North West on the motion. [interjections]

#### Debate Continued

AN HON. MEMBER: Sit down, Frank.

MR. BRUSEKER: I've got my time to speak. You can listen.

Mr. Speaker, I do not accept the motion as put forward before the Legislative Assembly this evening. The report of the Ethics Commissioner dated November 10, 1995, in particular, is the report to which I wish to direct my comments this evening. First of all, I would like to acknowledge the fact that at least one of the members whose report is before the Legislative Assembly had the courage to show up this evening. I congratulate that member. I wish the other one had the same courage.

Mr. Speaker, the report before us today of the Ethics Commissioner dated November 10, 1995, contains a number of errors.

MR. DAY: A point of order.

THE SPEAKER: The hon. Government House Leader is rising on a point of order.

#### Point of Order Provocative Language

MR. DAY: Mr. Speaker, the rules of the Assembly are very clear that language should not be delivered in such a way as to incite debate or be provocative. The comments just made by the

Member for Calgary-North West, while he has a shred of dignity left, are beneath him, and I would suggest that he watch himself when he's making his comments.

THE SPEAKER: The hon. Member for Calgary-North West.

#### Debate Continued

MR. BRUSEKER: Thank you, Mr. Speaker. The report contains a number of errors, and I wish to highlight a number of those errors. [interjections] I have no intention of responding to that.

THE SPEAKER: Which report, hon. member?

MR. BRUSEKER: The report dated November 10, 1995, of the Ethics Commissioner, Mr. Speaker.

The report contains a number of errors. The first one shows up in fact on the very third page, that talks about the issue of private placement. Mr. Speaker, the Ethics Commissioner, quite frankly, didn't do his homework. If one reviews . . .

#### Point of Order Reflections on Nonmembers

MR. DAY: Point of order, Mr. Speaker, again. Two points. First of all, in a negative way talking about people outside the House. And if the member would please, when he talks about mistakes, at least say, "alleged mistakes." In his view they may be mistakes, but "alleged mistakes" would be much more appropriate.

8:20

THE SPEAKER: Well, the Chair doesn't want to get involved in the debate, and it shouldn't, but the Chair is a little confused. The hon. Member for Calgary-North West said he was referring to the report of November 1995 and then said something about a private placement of shares. Now, the 1995 report had to do with the hon. member for - oh, sorry. The Chair understands now; the Chair is mistaken.

#### Debate Continued

MR. BRUSEKER: Thank you, Mr. Speaker. I'll attempt to continue then. The report on page 3 refers to "a private placement of one million shares." Quoting from the document, on that page it says, "In fact, the Stock Exchange advises that the private placement realized \$1,630,000." The report of the Ethics Commissioner then goes on to say that part of the reason the particular deal had to be arranged later on was because the private placement was full. Well, if one reviews documents filed with the Securities Commission, in fact those documents show very clearly that the private placement was for 2 million shares, not 1 million shares as the Ethics Commissioner alleges. Quite frankly, I have no idea how he arrived at that figure. But if indeed it was full and therefore that was the reason for the deal that was arranged, then it was full at 1 million shares, long before we got to 1.63 million shares. So the logic of the statement within page 3 and on subsequent pages, Mr. Speaker, quite frankly, don't follow from the investigation itself.

MR. DAY: Point of order.

THE SPEAKER: The hon. Government House Leader on a point of order.

**Point of Order  
Relevance**

MR. DAY: Mr. Speaker, I do regret to continue to stand.

SOME HON. MEMBERS: Citation. Citation.

MR. DAY: They're screaming "Citation" like they deserve one. The citation refers to relevance. We have a motion before us to receive a report. We haven't heard one word yet about receiving that report. I'd like the member to deal with relevance, please.

THE SPEAKER: Well, the Chair would say that the Chair's understanding of the hon. member's comments are that he's not in favour of receiving the report, from what he's said so far.

MR. BRUSEKER: Exactly, Mr. Speaker. The comments I'm making in my attempts to debate the motion are giving the reasons why I do not believe this Legislative Assembly should accept the report. So we'll continue indeed with comments on the report.

**Debate Continued**

MR. BRUSEKER: Mr. Speaker, when one continues on that page, one in fact sees that the Ethics Commissioner himself has highlighted the point that "Multi-Corp Inc.'s shares were not trading on the date the Premier attended the opening of the Hong Kong office of Multi-Corp." Well, that may be true on the public stock exchange, but in terms of a private arrangement, of course, that can occur anytime, whether or not there is a private placement, whether there's a public offering or anything else. Two individuals, as occurred in this particular place, can make a deal anytime anyplace as they see fit to do. Another error in the report, Mr. Speaker, that is irrelevant to the conclusion of the Ethics Commissioner, another reason why I believe this Legislative Assembly should not accept and receive this report as it currently is written.

MR. DAY: Point of order, Mr. Speaker. I am respectfully and sincerely . . . [interjections]

MR. MITCHELL: What's the citation?

THE SPEAKER: Order.

MR. DAY: The Speaker has asked the leader to be quiet. He is never here at night, so he's not familiar with the rules.

**Point of Order  
Relevance**

MR. DAY: Mr. Speaker, I would like to suggest that the member is adding to the motion. He said, "accept and receive." There's nothing here in the motion about accepting. It says, "receiving." "Deal with the reports . . . by receiving them." The Opposition House Leader says "accept and receive," as if he's putting extra burden on his own members. So I wish, when he refers to the motion, that he refer to it accurately. He has a real problem with inaccuracy, which he has learned from his leader. [interjections]

THE SPEAKER: Order please. [interjection] Order. The Chair feels that the hon. Member for Calgary-North West should continue his remarks.

MR. BRUSEKER: Thank you again, Mr. Speaker.

MR. DAY: Tell the truth; that's all.

MR. BRUSEKER: That's what we're trying to get at here.

**Debate Continued**

MR. BRUSEKER: Mr. Speaker, the report continues on that there were some 30 tentative schedules prepared with respect to the Premier's itinerary on his first trip to China in the fall of 1993. Nowhere, unfortunately, does the Ethics Commissioner ever point out whether he ever saw any of those or whether anything actually ever came of those. There are a number of other errors, I think. If we are concerned with the truth, as the Government House Leader says, then if we are going to receive a document, it should contain the whole truth, not just a select part that the government members would like to see.

On page 8 of the report of the Ethics Commissioner dated November 10, 1995, the Ethics Commissioner states, "I concluded that there was no contractual or other relationship between Multi-Corp Inc. and the Government of Alberta." Now, unfortunately, again the Ethics Commissioner neglected to include in his analysis the fact that a 100 percent-owned subsidiary called United Industrial Equipment Rentals was completely owned by Multi-Corp. Inc. and received from government departments in excess of \$53,000 worth of contracts. I know the Ethics Commissioner had that information at his fingertips because it was included in the annual reports of that corporation that I personally handed to him. So I know he had the information at his fingertips. For whatever reasons that I do not understand, he chose not to include that.

Mr. Speaker, the most interesting page in my opinion is page 9 of the report of the Ethics Commissioner. Page 9 attempts to outline - and it actually starts in the middle of page 8. It deals with the acquisition of shares in Multi-Corp. Inc. by Colleen Klein. It goes on again at the bottom of page 8,

Mr. Lobsinger advised Mr. Novak that the private placement was full. Mr. Novak then chose to sell some of his own shares (held in his numbered company, 575159 Alberta Inc.) to interested investors. One of the investors to whom he sold 575159's shares was Colleen Klein.

Mr. Speaker, the private placement was not full. Documents filed with the Securities Commission show that the private placement was for 2 million shares. Indeed, only 1.6 million shares were sold. So that statement is erroneous, and therefore it is not a truthful statement as reported in this document. I'm sure that the Minister of Labour would be concerned about that.

Mr. Speaker, it also says on page 9:

Mr. Novak also indicated that he had purchased the shares at \$.10 per share and selling them at \$1.00 per share was a good return on his initial investment.

The day that the Ethics Commissioner finds that Mrs. Klein entered into an agreement with 575159 Alberta Inc. was December 14, 1993, but on that date they were selling for \$1.62, and Mr. Novak himself has subsequently said that the deal must have occurred well before December 14, 1993. Indeed, in a letter that I sent personally to the Kleins - I hope that Pam Barrett is listening someplace, because she got it wrong again too. The response I got back from the Kleins was that the share certificate was dated November 25, 1994 - just another typo, I guess - 5 days after the office opening in Hong Kong.

Mr. Speaker, it's also important to know when the private placement occurred. Part of the conclusion was that there was no breach. The end conclusion that was reached in the final page of the text of the report is based on the fact that Mr. Clark concludes

that the deal was done December 14 after a speech and after a visit to the opening of the office, but indeed the answer from the Kleins themselves and the answer from Mr. Novak are at variance with what is included in this report. Three individuals have provided answers different from the answer provided in the report of the Ethics Commissioner. That, too, is another error. I guess when three people say it, including the Premier himself, one must question the accuracy of the report.

Mr. Speaker, the other interesting point on that particular page was still the question of when the deal was done. Mr. Clark concludes that the deal was done when the share certificate was delivered on December 14 of 1993.

**8:30**

Subsequent to the report being done, there have been three individuals with three responses that have said no; it must have been done well prior to December 14 because no one would sell something at a dollar when you could get \$1.62 for that value. Times 10,000 shares, Mr. Speaker, that's \$6,000. Another error, another reason why this Legislative Assembly should not receive this report as it currently stands.

The next issue, on page 10, is very interesting. Mr. Clark produces a report, but he never has the opportunity to speak with a lawyer from Calgary who held the shares in trust for Mrs. Klein. It says that "a portion of the shares were sold earlier," but "she could not confirm the date." Mr. Speaker, I would argue that having released the report on November 10, before the Ethics Commissioner could confirm the date, the price, or the volume of shares that were sold on that date sometime earlier in 1995 – because we still don't know exactly when that was – means that the report was issued prematurely. Mr. Clark did not take the time to accurately complete and finish his job.

The other conclusion that occurs on page 10. Mr. Clark on page 9 says that the deal was done December 14, 1994, and then he says, "no gift or other benefit within the meaning of section 7 of the Conflicts of Interest Act was received." The benefit was \$6,200, yet he concludes that there is no benefit. Those two statements, both from the Ethics Commissioner, contradict one another within the report itself.

Mr. Speaker, the other issue, then, is with respect to the breaches – I say that plural – that the Ethics Commissioner finds and in fact identifies within his report. One which he files is on page 10, and I want to quote once again. It says:

While the Conflicts of Interest Act requires that Members file a material change with my office within 30 days of the change occurring, given the time of year at which this change occurred, I do not find the timing of the [breach] unreasonable.

Therefore, he says: yes, there was a breach, but I chose to waive it.

Now, it's interesting, Mr. Speaker, because the motion we have before us today deals with two reports. In one case he waives the breaches; in the other case he says: yes, there was a breach, but I find it was inconsequential, and therefore I recommend no sanction. The two reports themselves, when one compares and contrasts the way in which the Ethics Commissioner has dealt with the two cases in particular, are inconsistent. He does not deal with both situations in the same fashion.

Mr. Speaker, I would argue that in this report of November 10, 1995, indeed it would have been more appropriate had the Ethics Commissioner said, "I find there is a breach, but I find the breach to be inconsequential." That would have been appropriate, but to simply say in his conclusion that "in my opinion, there has been no breach," which is what he does say on page 16, is in contra-

diction to the statement that he makes on page 10.

The other breach that he refers to in the report itself occurs on page 15. Mr. Speaker, he starts at the top of page 15 with

I later learned . . .

and I emphasize the words "I later." These are his words, but I'm adding the emphasis.

. . . that in fact no payment occurred at that time and that no payment would be made until the shares were sold.

Further on the page it says:

The fact that a liability was not added to the Premier's disclosure statement resulted from two factors. First, Mrs. Klein is not a sophisticated investor and when she properly disclosed the acquisition, I believe it simply did not occur to her that there was a liability side to the transaction.

So again he confirms that the disclosure was not originally within the time parameters. Then he says,

Secondly, I neglected to pursue the issue of liability at the time the share acquisition was disclosed to me.

He adds the phrase a little more than halfway down the page:

The acquisition of the shares was true and accurate albeit, I believe, unintentionally incomplete.

So the disclosure was indeed incomplete. Mr. Speaker, another error within the report itself.

The Ethics Commissioner chooses in this case to accept some of the error himself. If we go back to page 14, he concludes that there was "no breach of section 4 of the Conflicts of Interest Act." He lists a number of things. He says that "a prospectus had been issued, notices of material changes had been filed," but not with respect to this particular disclosure statement, that "the private placement had been filled" – unfortunately, as I have pointed out, that was not true and not accurate – "and the shares had recommenced trading." Unfortunately, that statement, too, is not accurate, based on what it is the seller of the shares, Mr. Novak, has said himself.

When one looks over the issue of the report, of whether or not this Legislative Assembly should receive this report, I believe it is incumbent upon this Legislative Assembly to receive a report that is accurate, to receive a report that is thorough, to receive a report that is complete, and to receive a report wherein the evidence that is presented leads to a conclusion that is logical and rational. Mr. Speaker, this report does not address those points. This report is incomplete and inaccurate, and the conclusions reached by the Ethics Commissioner are not supported by the evidence.

To that end, I would like to propose an amendment to Motion 17. Mr. Speaker, shall I just wait for a moment while these are . . .

THE SPEAKER: Yeah, just 30 seconds or so.

MR. BRUSEKER: Thank you, Mr. Speaker.

I believe most members now have copies of the amendment, and I'd like to . . .

SOME HON. MEMBERS: No. Not yet.

THE SPEAKER: The hon. Member for Calgary-North West on the amendment.

MR. BRUSEKER: Thank you, Mr. Speaker. Speaking to the amendment, I'd just like to read it into the record. This is an addition, an add-on to the end of Motion 17, and it reads:

and by referring the Ethics Commissioner's report dated November 10, 1995, to a justice of the Court of Appeal of Alberta to

review the report to determine whether the report is accurate, complete, and thorough and whether the evidence supports the conclusions reached by the Ethics Commissioner and to report the findings to the Legislative Assembly.

Mr. Speaker, there are a number of cases of precedents where the Legislative Assembly has referred questions to the courts. The most recent, of course, is the Court of Appeal decision with respect to the issue of electoral boundaries. Of course, we have a commission that has now been struck as a result of the appeal that has gone forward there. In the Paddle River dam matter, where the government was found guilty of deceit and fraud, there was a referral sent off to a Justice minister in the province of Saskatchewan where we asked for an independent review of what happened in that particular issue. Of course, we know that ultimately the government paid out \$9.4 million on that particular issue.

**8:40**

The amendment before us proposes to send this report to an independent adjudication. The government, as I've said, in the past has used the Court of Appeal of the province of Alberta. That is the highest court within the province itself. I haven't named a particular justice. I've asked that it simply be sent to the Court of Appeal to be reviewed, to have the court and presumably the chief justice of the court appoint a justice to review this report of November 10, 1995, with respect to the conflicts of interest legislation that we have that allows for a review to occur. Mr. Speaker, what I would like to see happen would be for the Court of Appeal to appoint a justice to sit down with, in one hand, the Conflicts of Interest Act itself and in the other hand the report of the Ethics Commissioner dated November 10, 1995. I make this amendment because I have asked the Ethics Commissioner to review that report, and I have been turned down. The Ethics Commissioner has denied that request. The questions that remain I think need yet to be answered before this Legislative Assembly can or should in good faith receive this report.

The motion we have before us says that we receive both reports. This amendment speaks just to the one report, so that would mean the other report we have before us in Motion 17 could indeed be received by the Legislative Assembly and that whatever happened to the last batch, I guess, we had before this Legislative Assembly be done.

The amendment allows for a review by an independent authority. I'm sure that all Members of the Legislative Assembly would agree that justices of the Court of Appeal are there because of past skill, training, and experience and are there because they are indeed independent and have served their profession in a logical fashion, Mr. Speaker. So when I crafted the amendment in the fashion that I did, it was with considerable thought that I selected the Court of Appeal, as opposed to any other court within the province of Alberta, to be the adjudicator, if you will, or reviewer, or whatever term you would like to apply, to look over this particular report that we have before us today.

Mr. Speaker, the concern that I have – and I've addressed earlier on in this House amendments to the conflicts of interest legislation. The government has made a commitment that they will be reviewing that legislation themselves as a result of a report that has been done by a professor from the University of Alberta and two other individuals. I expect that at some time we will see improvements to our conflicts of interest legislation. Unfortunately, that is not before us today, and that does not affect the current report.

Therefore, Mr. Speaker, I would encourage all members to

support the amendment that I've put forward to the Legislative Assembly.

THE SPEAKER: The hon. Member for Calgary-Mountain View.

#### Point of Order Relevance

MR. HLADY: Thank you, Mr. Speaker. I'd like to actually do a point of order. *Beauchesne* 459, relevance. Speaking, I guess, in essence against the amendment, but it bases on the fact of the many, many comments that the Member for Calgary-North West had been making before to justify his reason for the amendment. Everything that he based it on was based on the conclusion of the Ethics Commissioner, and the Ethics Commissioner's conclusion was that there was no conflict of interest. The reasons that he was using are simply illogical, and they do not follow on the reason that it should follow that there is no conflict of interest. He doesn't make it work. To use only three of the examples that he used, the number of shares is not relevant to whether there was a conflict of interest. Whether there were 1.6 million or 2 million, that doesn't make a difference in whether there was a conflict of interest. The Ethics Commissioner was wise enough to spend time and to realize what the difference is and that it isn't a conflict.

I think if the member had spent some time in the last months since November to possibly take the Canadian securities course and possibly the registered representatives exam, he would have an understanding of the industry, an understanding of the public markets, and would know what is a conflict of interest and what isn't a conflict of interest. Unfortunately, he spent his time digging up information that really isn't useful in regards to this particular situation.

The other points that he was raising: 30 tentative schedules and so forth. Those are things constantly changing in a Premier's schedule. That isn't a problem with this particular conflict of interest. The Ethics Commissioner found no conflict of interest on the Premier.

The final one, the changing of the number of shares in a private placement: Mr. Speaker, in the industry it is very often that there'll be a closing, and it could be before there is a completion or a filling of a private placement. That doesn't constitute any difference, and the closing can happen before they've reached the full amount. If the closing is done and there is a need for some other shares from someone else, someone has the ability to go and place their own shares through someone else, if that's what they choose to do. That is an individual's choice. That does not constitute a conflict of interest.

Everything that the Member for Calgary-North West is basing his reasoning on is illogical and doesn't follow in regards to a conflict of interest.

MR. DICKSON: On the point of order . . .

THE SPEAKER: Well, one hates to interrupt the hon. Member for Calgary-Buffalo, but the Chair really can't find a point of order. The remarks of the hon. member are contrary to what the hon. Member for Calgary-North West said. The Chair has heard some debate this evening, and the Chair would have, it believes, interrupted the hon. Member for Calgary-North West if he was not debating the motion. He was criticizing the report because the conclusions, in his opinion, weren't substantiated by the evidence. That is certainly within the scope of the motion that's before the

House. Therefore, the hon. member is quite entitled to make the comments he made in support of his view that the motion is properly before the House, and the Chair feels that he feels the motion should be supported. That is what we're debating about this evening, and the Chair feels that this debate should continue.

The hon. Member for Sherwood Park.

### Debate Continued

MR. COLLINGWOOD: Thank you, Mr. Speaker. I'd like to add some comments about Motion 17 as proposed by the hon. Government House Leader, that we are now debating, and speak to the amendment as well. The motion as put forward by the Government House Leader simply asks the Members of this Legislative Assembly to deal with the Ethics Commissioner's report relating to the inquiry into the Multi-Corp affair and with matters associated with the Member for Cypress-Medicine Hat. The issue with respect to the Member for Cypress-Medicine Hat would certainly – at least I speak for myself. I think we would concur in the report of the Ethics Commissioner with respect to that matter.

Now, the difficulty we have is that whether or not it relates to the Multi-Corp issue or whether or not it relates to the Member for Cypress-Medicine Hat, the motion as put forward by the hon. Government House Leader does not give us as Members of this Legislative Assembly the ability to concur in either one of those reports. We simply are to receive them without anything further as to what action or statement or decision the Members of this Legislative Assembly are making with respect to either one of these reports. On that basis, Mr. Speaker, the motion as presented by the Government House Leader is not acceptable.

In terms of the wording of the Conflicts of Interest Act, there is provision in the Conflicts of Interest Act to have the Members of this Legislative Assembly deal with the report of the Ethics Commissioner by either concurring in it or by having a debate to decide within the Legislative Assembly whether or not the recommendations or the position taken by the Ethics Commissioner is to be ratified by the members of this Assembly. We are ultimately the individuals who have that authority and that decision-making with respect to the Ethics Commissioner's recommendation or decision or conclusion. But we need to have of course, then, the opportunity in this Assembly, by virtue of the motion that's put forward, to decide whether or not as members we concur in the report, we want to change the report, we want to do something more than what the Ethics Commissioner recommends in that report. The motion put forward by the Government House Leader gives us no ability to deal with that whatsoever.

8:50

Now, with respect to the issue of the Multi-Corp report, the amendment as has been presented by the Member for Calgary-North West will give some action statement to the motion as originally proposed by the Government House Leader to have something happen, that the Members of this Legislative Assembly then agree upon as an action statement for something further to happen. The proposal that was put forward by the Member for Calgary-North West is in response to the Ethics Commissioner's report on the Multi-Corp affair involving the Premier of Alberta, because on reviewing the report as tabled, or subsequent to your tabling, Mr. Speaker, the Ethics Commissioner's report on Multi-Corp is inaccurate, incomplete, superficial, and premature. Those are all of the aspects of the Ethics Commissioner's report that are

clear from the statements that the Ethics Commissioner makes.

The fundamental problem, Mr. Speaker, with accepting the report by simply receiving it is that it puts members of this Assembly in a position where they are being asked to receive a report from the Ethics Commissioner where the findings of the Ethics Commissioner are beyond his jurisdiction. He cannot reach the conclusion that he reaches given the statements that he makes in the report because he does not have the legislative or legal authority to make that conclusion.

Now, Mr. Speaker, the Member for Calgary-North West made reference to the report that the Speaker tabled with respect to the Member for Cypress-Medicine Hat. In that report the Ethics Commissioner finds a conclusion that is consistent with his entire report and makes a recommendation in his report to the members of this Assembly as to whether or not any action should be taken and suggests that none do be taken.

With respect to the findings by the Ethics Commissioner in the Multi-Corp report, the Ethics Commissioner finds within the confines of his report that there were indeed two breaches of the Conflicts of Interest Act. The issue, therefore, Mr. Speaker, at that point is not whether or not they were significant or trivial or inadvertent. The fact is that the Ethics Commissioner found that there was a breach of the Conflicts of Interest Act. Now, if you look at section 18 of the Conflicts of Interest Act, it says:

A Member breaches this Act if the Member does not file a disclosure statement, an amending disclosure statement or a return within the time provided by section 11 or section 15.

“A Member breaches this Act.”

The Ethics Commissioner found within the body of his report that the time period required by the legislation – whether it's good, bad, or indifferent, whether the members of this Assembly like the 30-day rule or don't like the 30-day rule or think the 30-day rule should be tossed out of the legislation is not the point. The fact is that the legislation, the law in the province of Alberta, says that “a Member breaches this Act if the Member does not file a disclosure statement . . . within the time provided.” The Ethics Commissioner finds that there was in fact a breach. He makes reference to it specifically. He says in the report at page 10:

While the Conflicts of Interest Act requires . . .

Requires. I emphasize the word, Mr. Speaker.

. . . that Members file a material change with my office within 30 days of the change occurring, given the time of year at which this change occurred, I do not find the timing of the notice unreasonable. I am satisfied that there was compliance with the spirit of the Act regarding timely disclosure.

Mr. Speaker, the Ethics Commissioner can't do that. The Ethics Commissioner can't make that statement. The Ethics Commissioner does not have the flexibility, does not have the authority to forgive a breach of the Act. The responsibility of the Ethics Commissioner is found in section 25(3) of the Conflicts of Interest Act. What the Ethics Commissioner must do is decide, in his opinion, if the breach is “trivial, inadvertent or committed in good faith”, and if he finds that, “the Ethics Commissioner may recommend that no sanction be imposed.” That is the obligation of the Ethics Commissioner.

Now, the hon. Member for Calgary-Mountain View says that that's what he did. I would invite the hon. member, Mr. Speaker, to actually read the Ethics Commissioner's report on Multi-Corp, because that is not what the Ethics Commissioner does in his report. He finds in the report a breach. He says in his conclusion: I find that there is no breach. They are entirely inconsistent.

What would have been consistent for the Ethics Commissioner

to do is say: "I find that there were breaches of the Conflicts of Interest Act, but in my opinion the breaches were inadvertent, trivial, or committed in good faith, and therefore I recommend to the Members of this Legislative Assembly that no sanction be imposed. That's our decision. That's our right." That would have made the Ethics Commissioner's finding valid with respect to his report on Multi-Corp. We could debate the merits of that. We will debate the merits of that, as to whether or not he ought to have reached the conclusion that he did. But from his legislative authority point of view he doesn't have the authority to make that conclusion by virtue of his findings.

Now, the Government House Leader wants Members of this Legislative Assembly to receive a report that is not grounded within the jurisdiction of the Ethics Commissioner. We simply can't.

MR. HLADY: What page again?

MR. COLLINGWOOD: That would be the conclusion, hon. member. That would be the conclusion that would be found at the end of the Ethics Commissioner's report.

So, Mr. Speaker, I submit that it is impossible for Members of this Legislative Assembly to simply receive the report of the Ethics Commissioner on Multi-Corp without the amendment, because the amendment, then, attempts to deal with the issue that I raise with respect to the Ethics Commissioner's legal authority to come to the conclusion that he came to and to review the entire body of the Ethics Commissioner's report on Multi-Corp to determine whether or not in fact what Members of this Legislative Assembly are dealing with and debating tonight is the best that it can be so that the members of this Assembly can come to the appropriate and right decision.

The question, I suppose, that has to be asked, Mr. Speaker, is: what would prompt the Ethics Commissioner to come to a conclusion that he has no legal authority, no authority in law, to come to? The only thing that I suggest to hon. members is that the Ethics Commissioner may have – I speak subjectively and I do say "may have" – felt that he was somewhat compromised, because the Premier, by his own words, indicated to the public of Alberta that if there was the slightest hint of wrongdoing in his involvement in the Multi-Corp affair, he would resign his position as Premier of the province of Alberta.

Now, the conclusion from the Ethics Commissioner is that there have been no breaches of the Act. The Premier has relied on that from that day forward, from November 10, 1995, and said: I have been cleared and exonerated by the Ethics Commissioner; there have not been breaches of the Conflicts of Interest Act, and therefore I'm on solid ground. I challenge the Premier, Mr. Speaker, because the Ethics Commissioner can't find what the Ethics Commissioner finds. Previously in the context of that report he finds that there are breaches, and therefore, we assume, in the Premier's mind there was a hint of wrongdoing. If there's a breach of the Conflicts of Interest Act, one would assume that that would be included in the Premier's definition of what a hint of wrongdoing is.

Mr. Speaker, I can only surmise that that is the reason that the Ethics Commissioner comes to the conclusion that he comes to, which is impossible for him to come to because there is no authority in law.

MR. MAR: More innuendo.

MR. COLLINGWOOD: Mr. Speaker, the Minister of Community Development suggests that there's innuendo. I would hope that

the Minister of Community Development would have an understanding of what falls within the jurisdiction of the Ethics Commissioner and what falls outside the jurisdiction of the Ethics Commissioner simply by reading the sections of the Conflicts of Interest Act that set out who and what the Ethics Commissioner is.

The Ethics Commissioner is nothing more than an officer of this Legislative Assembly. The Legislative Assembly of Alberta, regardless of its makeup, gives the Ethics Commissioner his position and his powers. His powers do not include forgiving breaches of the Conflicts of Interest Act. If anyone wants to do that, it's the members of this Assembly who have the ability and the authority to do that. It is not the authority of the Ethics Commissioner. Clearly in his report the Ethics Commissioner finds breaches of the Act and forgives them. Mr. Speaker, he can't do that.

9:00

Now, Mr. Speaker, the amendment that was put forward by the Member for Calgary-North West asks the Court of Appeal to review the report to determine if it is "accurate, complete, and thorough and whether the evidence supports the conclusions." I've given some statements where I submit to Members of this Legislative Assembly that a court certainly could not find that the conclusions reached by the Ethics Commissioner are supported or that there is legal authority for him to do so.

On the question of the issue of the inaccuracies, the incompleteness of the report, the fact that the report is superficial: all of those come from the statements that the Ethics Commissioner makes himself in his review of this matter.

On the issue, Mr. Speaker, of the fact that the Ethics Commissioner finds that there is no relationship – no relationship – between Multi-Corp and the province of Alberta, it was certainly within the realm of the Ethics Commissioner to review public accounts to determine that a wholly owned subsidiary, in fact the only operating entity of Multi-Corp, Multi-Corp itself being a holding company, was United Industrial Equipment Rentals Ltd., which received government money for the previous two years. That is a relationship, but somehow the Ethics Commissioner comes up with a conclusion that there is no relationship between Multi-Corp and the government of Alberta. How could he, and what could he base this finding upon?

What's even more astounding, Mr. Speaker, is that the Ethics Commissioner will have some difficulty in saying, "Well, I didn't know," because appendix 3 of his own report identifies in the chronology the sale of the assets of United Industrial Equipment Rentals Ltd. Appendix 3, page 24: "January 5, 1995 Multi-Corp announces sale of assets of United Industrial Equipment Rentals Ltd." That says to me that the Ethics Commissioner knew about United Industrial Equipment Rentals Ltd. and made no attempt to determine that there was indeed a contractual relationship between Multi-Corp and the province of Alberta. On that basis the report simply cannot be accepted.

Now, Mr. Speaker, there's been some discussion about the private placement, how it was that the Premier's family came to own shares in Multi-Corp through a private placement. The Member for Calgary-Mountain View tried to edify us on private placements, but what's been very interesting in the review of the Ethics Commissioner's report about private placements is that, as my colleague from Calgary-North West indicated, the reason it came through by way of a private placement is that the private placement was full. All it took was a review of the documents of the Alberta Securities Commission and the Alberta Stock Ex-

change to discover that in fact the private placement was not full. Therefore, that's not the explanation. So what is the explanation? Why was it not a transaction that was done on the open market in public? Why is that?

The other issue with respect to the private placement is that in securities law, Mr. Speaker, if you're going to do a private placement and it's being done under the exemption of 107(1)(z), you have to confine your sales to only close friends and business associates of the promoter of the company. Now, I think it's fair to say, Mr. Speaker, that the owner of Multi-Corp is Mr. Michael Lobsinger. He is the promoter of the company. The transaction and private placement to close friends and business associates has to therefore be within the confines of those relationships. It has to be a business associate or it has to be a close friend of the promoter. Securities law has long held that it cannot be a close friend of a close friend of the promoter.

We have heard through this whole affair how the Premier's wife's brother was the close friend of the promoter, and therefore he decided to involve his family and his friends. Well, Mr. Speaker, that's a violation of Alberta securities law. The Premier's wife was never eligible. Unless the company and the promoters wanted to breach the securities laws of the province of Alberta, the Premier's wife was never, ever eligible to participate in the private placement. So that's not the explanation and can't possibly be the explanation.

So why is it being done as a private transaction? Why the facade of this so-called private placement? The Ethics Commissioner says: oh, well, it was sold for a dollar because, what the heck, that was the same price as the private placement. I say: so what? What does the private placement have to do with anything? The private placement is just a facade. It appears to be just a facade because there's no reason, there's no justification, and there's no ability in law for the Premier's wife to receive shares through the private placement.

The trust arrangement, Mr. Speaker, is a very curious relationship indeed. We find out after the Ethics Commissioner's report that the Premier's wife received shares in bearer form. Now, what that means is that it's like an endorsed cheque. It's a share certificate in the name of the numbered company signed by the president of the company, Mr. Novak. You'll recall of course that Mr. Novak never did file his insider trading report with the Alberta Securities Commission. I venture to guess that the reason why is because he had given the share certificate to Mr. Lobsinger, Mr. Lobsinger had given it to the Premier's wife at a social function at the Premier's office in Calgary, and Mr. Novak never knew that he had made a trade in a security. If he never knew that he'd made a trade in a security, how could he know to file an insider trading report? I think that's exactly what happened there.

The trust arrangement, Mr. Speaker, is created when the bearer certificate is given to the Premier's wife, who then delivers it to a lawyer to hold in trust. Well, now the legal owner is the lawyer, and the lawyer then sends it to the stockbroker, and presumably the account with the stockbroker – this is never dealt with by the Ethics Commissioner, which is why the report is incomplete. The stockbroker opens the account in the name of the lawyer, not in the name of the Premier's wife, and is given instructions on how to sell the certificates. Why that kind of an arrangement? Why didn't the Premier's wife take the certificate directly to the stockbroker? Why put the lawyer as a trustee in between the Premier's wife and the stockbroker? I want to know the answer. I want to know the answer to all of the questions that

have been left unanswered from the very, very beginning of this whole affair.

The Members of this Legislative Assembly cannot receive this report, certainly cannot concur in this report, can do nothing more with this report than allow the amendment to pass to refer the entire matter to the Court of Appeal so that we can get the answers to those questions and so that we can then effectively and properly deal with this report.

Thank you, Mr. Speaker.

THE SPEAKER: The hon. Member for Calgary-*Buffalo*.

MR. DICKSON: Thank you, Mr. Speaker. There has been some concern just from observations made by members sitting in their seats that I want to address firstly by dealing with the authority that we're operating under today and the authority that the Ethics Commissioner was operating under when he did his report dated November 10, 1995. Then I want to deal with some specific references to the report, because I've heard some people saying from their chairs that they want specific references. So I want to indicate those portions of the Ethics Commissioner report that gave me some difficulty.

Firstly, section 27 is the enabling section that really we're operating under today. What that section does is give the Legislative Assembly three different options. The first one is that we may accept the findings of the Ethics Commissioner. The second thing we can do is we can reject the findings of the Ethics Commissioner. The third thing we can do is we can substitute our own findings. It seems to me that the initial preamended motion really exercised none of these three options.

This amendment effectively amounts to rejecting the findings of the Ethics Commissioner and delegating to the highest court in this province, the Alberta Court of Appeal, and a justice of that court the ability to do an analysis in detail. It seems to me that that's fair. It's fair to the parties involved. Because of the time constraints we operate under in this particular House, this may be a less satisfactory treatment. So I support the amendment because in effect what it does is allow this House in a responsible, careful, deliberate way to substitute findings for those findings of the Ethics Commissioner.

So it's section 27, and mindful of some of the interruptions earlier when my two colleagues were speaking, I just refer them to section 27, which makes it clear in terms of the kind of power we have in this Assembly and the corresponding problem that the initial motion, before the amendment was introduced, simply doesn't address section 27 and what section 27 enables this House to do.

9:10

Now, I heard some government member say from his seat that he wanted to deal with details in the report, and there was a concern that this member, the member who had spoken from his seat, was looking for detail. What I want to briefly do is go through and highlight the 11 what I respectfully submit are inaccuracies in the report of the Ethics Commissioner dated November 10, 1995.

The first one is the statement which appears on page 3, and I'll quote the relevant portion, Mr. Speaker.

In requesting the stop trade, Mr. Lobsinger advised the Stock Exchange that it was his intention to obtain a private placement of one million shares at \$1.00 per share. In fact, the Stock Exchange advises that the private placement realized 1,630,000 [shares].

The issue was that in fact there's evidence that the private placement was one of two million shares at a dollar per share. So you've got a factual inaccuracy on page 3.

Further on page 3, there's a reference there that it is important to note that Multi-Corp Inc.'s shares were not trading on the date the Premier attended the opening of the Hong Kong office of Multi-Corp.

The difficulty with that of course is that we know there was significant trading going on even while the stock was suspended. So you've got a conflict and a problem on that point.

The third specific reference I'd draw members' attention to is at page 8, and I quote the statement of the Ethics Commissioner from page 8.

I confirmed with Al O'Brien, Deputy Provincial Treasurer, that in fact the Government of Alberta has made no payments to Multi-Corp Inc. for the period from April 1, 1993, to October 20, 1995 . . . I concluded that there was no contractual or other relationship between Multi-Corp Inc. and the Government of Alberta.

Error. The reality is that a wholly owned subsidiary of Multi-Corp Inc. – namely, United Industrial Equipment Rentals Ltd. – in fact had received payments from the government of Alberta. So a specific inaccuracy.

The next specific concern – let this be number four – appears on pages 8 and 9 of the Ethics Commissioner report.

Ted Hamilton . . . had previously provided Larry Novak with a list of approximately 40 potential investors for Multi-Corp. Following his conversation with his sister, Mr. Hamilton passed along his sister's interest in obtaining shares to Mr. Novak. Mr. Novak told [Mr.] Lobsinger that certain individuals had expressed interest in obtaining shares in Multi-Corp. Mr. Lobsinger advised Mr. Novak that the private placement was full.

Then there's further reference.

Well, the difficulty we've got there – and this was touched on already by my colleague from Sherwood Park – is that unless the wife of the hon. Premier was a close friend of the promoter, she wouldn't have been eligible to participate in this placement at all. So the explanation given to the Ethics Commissioner simply doesn't jibe with the facts and the other evidence we've got.

The fifth specific reference in the commissioner's report that's problematic appears on page 9.

Mr. Novak also indicated that he'd purchased the shares at \$.10 per share and selling them for \$1.00 . . . was a good return on his initial investment. This price was the same price as the shares in the private placement.

Well, you know, we have another problem there. This doesn't make any sense when one looks at the facts and one looks at what we know. If Mr. Novak had sold his shares in the open market, then the profit would have been his. The obvious question is: why did he choose to give up that profit, estimated at \$6,200, for the benefit of Mrs. Klein?

The sixth specific concern in the report appears at page 9, where the Ethics Commissioner said: "Mr. Novak stated that he never spoke directly with Colleen Klein." Well, if we accept that at face value, there's a real problem then, the problem being that if the seller and the buyer have never spoken, how were the terms of the contract negotiated? That defies logic and our common-sense understanding of the way deals are struck.

The seventh specific concern appears at page 9:

On December 14, 1993, Michael Lobsinger delivered to Colleen Klein a share certificate transferring shares from 575159 Alberta Inc. to Colleen Klein.

Well, the difficulty here is that the Ethics Commissioner in his report never challenged the verbal recollections of the parties, didn't obtain independent verification of the source of the shares,

and apparently didn't question Mr. Novak on his failure to file an insider trading report after supposedly transferring some of his shares to the Premier's spouse.

The eighth difficulty – I'm almost to the end of the list that I have, though there are members who may have others – would be the comment at page 9 of the Ethics Commissioner's report:

Mr. Lobsinger passed on a verbal message from Larry Novak to Mrs. Klein that the shares could be paid for when Mrs. Klein sold the shares, with interest at the rate of ten percent.

Now, recalling and juxtaposing against this the comment that Larry Novak and Colleen Klein never spoke, how was it that this new part of the deal was arranged? That becomes a further problem.

The ninth difficulty has to do with the timing. I won't go through and read the large quote, but I refer members to pages 9 and 10. We have the involvement of Gail Vickery, the Macleod Dixon lawyer, who, for purposes of the investigation, was out of the country. So there was apparently a telephone exchange and information communicated by telephone to the office of the Ethics Commissioner. But it's interesting; as I understand it, the information coming from the solicitor was vague in several respects. You have the reality of no disclosure to the Ethics Commissioner until four days later, on January 25, 1994.

The 10th concern also relates to the conversations between the Premier's spouse and partner and her solicitor. It's the interesting and somewhat surprising precedent set by the Ethics Commissioner – this appears at page 10 – in finding

that there was a bona fide agreement on the part of Mrs. Klein and 575159 Alberta Inc. to pay for the shares. Therefore, no gift or other benefit within the meaning of section 7 of the Conflicts of Interest Act was received.

So what we've got is the precedent and, if this stands, the situation that a gift will not be found, even when the purchase price is far below market value and when payment isn't required until the item is sold. That is very different than what was said in this Legislative Assembly when the Conflicts of Interest Act was being debated. If one looks through *Hansard*, there was absolutely no contemplation of the kind of finding and surprising decision that was made by the Ethics Commissioner here.

The final factual item, the final specific reference in the report that I'd refer members to appears at page 15, where the Ethics Commissioner said:

I did not pursue the question of payment when I sought further information from the Kleins about Multi-Corp in January 1994 . . . I neglected to pursue the issue of liability at the time the share acquisition was disclosed to me. Had I known that the shares included an indebtedness, I would have advised Mrs. Klein to arrange for payment to Mr. Novak.

Well, I guess the question would be: why didn't the Premier raise those concerns with the commissioner in January 1994 or in any subsequent meeting?

Those are the 11 specific references in the report that seem to be at odds with other information, information that's been volunteered by the Premier, that's come from other sources.

## 9:20

Going back to where I started – and that is section 27 – how could members in good conscience, with a reasonably diligent effort, accept the ineffectual and vacuous motion that's on the Order Paper, when we have that whole series of problems, of gaps, of inconsistencies and inaccuracies? It seems to me the responsible thing to do would be to embrace the amendment that's currently before the Assembly, refer it to a justice of the Court of Appeal, the highest court in this province, to do the kind of

assessment that obviously has to be done to determine whether the evidence in fact supports the conclusion of the Ethics Commissioner. I'll speak for myself: I'd be prepared to live with the findings of that justice of the Court of Appeal. But given all of the inaccuracies and the problems – in fact the report, it's fair to say, is rife with inaccuracies – how could we in good conscience do what the Government House Leader asked with his motion?

I'd urge members to support the amendment. It allows for this thing to be done in a way that ultimately I think is fairest to the Premier and his spouse. I think that would be in the interests of all members and certainly in the interests of Albertans as taxpayers and as people who have a stake in ensuring that the highest possible standards are maintained by the Premier and members of Executive Council.

So those are the comments I wanted to make in support of the amendment, Mr. Speaker. Thank you.

MR. DAY: Well, Mr. Speaker, I will hopefully have time to address just a few of some of the grossest inconsistencies in debate that I've heard since being in this particular Assembly.

The first would be an issue that's been raised by the Member for Sherwood Park and by a number of members opposite who purport to have some struggle with the motion itself, and therefore they're proposing the amendment. They say that they've got some trouble receiving it. The motion says that the Assembly deal with this report by receiving it. The Member for Sherwood Park, again struggling with inaccuracy, seemed to suggest that there was no precedent for this and that it was asking for concurrence.

I already raised the matter that the Member for Calgary-North West tried to insert the word "accept" and receive, and I had to make it clear that we're not saying anything about accept, though as members on this side we do accept it. Then the Member for Sherwood Park threw in the word "concur" and receive, though that is not in the motion. Again, I'm not saying that he is deliberately trying to mislead, but obviously somebody's misled him, so we've got a problem there.

The most fascinating thing, Mr. Speaker, is they purport to have some reluctance to deal with this report by receiving it. Has this ever happened in the House before, that this Assembly has received reports from the Ethics Commissioner by receiving them? Well, now, isn't this strange: an Ethics Commissioner report dated April 28, 1993? How about one August 26, 1993? Oh, look at this: another one, October 28, 1993. Oh, my goodness, yet another one dated November 7, 1994, and another one December 15, 1994. You know what? Even another one, April 5, 1995. They received them all, every single one of them. They agreed and dealt with them by receiving. Let's not have any one of those memory-loss-affected members try and raise again that this is some strange precedent. I've just mentioned six that they dealt with by receiving, and yes, they should hang their heads in shame.

I'll go on to say, Mr. Speaker, that it's fascinating which reports – I've just named six – they will receive, and it's fascinating when they will look to the Ethics Commissioner for his wise ruling. In a letter of September 11, 1995, from the Ethics Commissioner to Mr. Decore saying . . .

MR. COLLINGWOOD: A point of order, Mr. Speaker.

THE SPEAKER: The hon. Member for Sherwood Park.

### Point of Order Relevance

MR. COLLINGWOOD: Thank you, Mr. Speaker. *Beauchesne* 459. The reports that we are not dealing with tonight would not be relevant to the debate tonight. We are dealing with reports of November 10, 1995, and – I don't have the Order Paper in front of me – the report that deals with the Member for Cypress-Medicine Hat. Therefore, any debate about what other reports were dealt with by the Assembly would have absolutely no relevance and no bearing on the debate with respect to receiving these reports.

THE SPEAKER: Order please. The Chair made a ruling with respect to the point of order raised by the hon. Member for Calgary-Mountain View, which was to the effect that his comments were really debating the motion. The Chair can only repeat those same remarks with regard to the Member for Sherwood Park. The Chair understands the Government House Leader to be saying that the similar motion has been used on other occasions, and he's given examples of where it has been used and is now questioning why there's disagreement with using the same precedent this time.

The Chair would like to point out that while reference has been made in the debate this evening that the Act says there can be exception, rejection, or change, all those things are possible by the motion proposed by the Government House Leader, and the same was done before. The Chair initially wondered about the form of a motion that was mentioned in the precedents by the hon. Government House Leader at that time but came to the conclusion that it was a very neutral way of bringing the matter before the Legislative Assembly, because it allowed the Legislative Assembly, which after all is the final determinant with what happens to reports by the Ethics Commissioner, to take essentially a very neutral motion and make it into something that it feels is the proper way of dealing with that report or those reports.

That's the same thing that's before the Assembly this evening. A relatively, in the Chair's estimation, neutral motion has been proposed. The hon. members of the opposition have suggested that there should be more than a neutral reaction, and they have taken the opportunity of amending the motion. So the amendment is properly, in the Chair's view, before the Assembly and is subject to attack or support, with the Assembly finally deciding what it wishes to do with this report through the basis of the amendment to what was in the beginning a very neutral approach to the matter.

The hon. Government House Leader.

MR. DAY: Thank you, Mr. Speaker, for the ruling.

### Debate Continued

MR. DAY: Having established that there have been at least six reports so received, I will go on to say that not just in the receiving of the reports but in fact in the acknowledgement of the wisdom in the office of the Ethics Commissioner, just one example would be the request, as I was citing, in a letter from the Ethics Commissioner to Mr. Decore on September 11, 1995, where he says:

Dear Mr. Decore:

You have requested my written advice and recommendation regarding your potential involvement in the rental, planning, and disposal of federal government lands.

The Ethics Commissioner, in his wisdom, said to Mr. Decore –

and to all the Assembly, because there were members who were interested in that: no problem. "I do not believe that your participation in this venture would be a breach of the Conflicts of Interest Act." It's strange there was no violent reaction to that particular ruling, nor was there a violent reaction to the ruling regarding the Member for Bonnyville with a possible conflict. There, the Ethics Commissioner looked at it and came back and said: no conflict. The member had presumed upon the good wisdom of the Ethics Commissioner, sought his learned opinion, received what obviously was a favourable response. No problem; accepted it.

There have been other reports, Mr. Speaker, in which the Ethics Commissioner referred to members of the government who were involved in the report in, let's say, less than exemplary terms, ones in which the members on this side, who were referred to by the Ethics Commissioner, took some personal umbrage, which is their right to do. Again, no argument at all from the members of the opposition in terms of the Ethics Commissioner's wisdom or the process. Now, strangely enough, when this one doesn't quite go the way they want, we see the apparent reaction by what looks to be about nine or 10 Liberals on the other side in terms of not wanting to accept this.

9:30

AN HON. MEMBER: Eight.

MR. DAY: Eight. Sorry.

Mr. Speaker, I would like to do as members opposite have done and refer to some of the actual quotes from the report. Again, I am not here debating all the elements of the report. I am stating the case why I have difficulty with the amendment. We need to see the difficulty by looking at the statements in the report. I was listening carefully to the members as they spoke. I don't know that I heard any of the quotes that I'm about to give from this report. It's strange how selective the comments can be when they lack evidence from the report itself. It's the report we're talking about. They drew from other areas of speculation, areas which have been out in the public arena day after day after day, month after month after month. How has the public responded? We've seen the polls consistently, the most remarkable polls in support of this government. That's what the court of public opinion has said.

Here are just a few that strangely were left out of comments made by the members opposite. These ones weren't touched, unless I wasn't listening. I was out of the Assembly just for a moment or two, so I might have missed it. Mr. Speaker, there were comments made about Ms Vickery and about Mrs. Klein, and it's interesting that the Ethics Commissioner says:

Based on my conversations with Mrs. Klein and Ms Vickery, I accept that there was a bona fide agreement on the part of Mrs. Klein and 575159 Alberta Inc. to pay for the shares.

I don't think I heard that quote in their remarks, but it is here in the Ethics Commissioner's ruling.

Therefore, no gift or other benefit within the meaning of section 7 of the Conflicts of Interest Act was received.

That's a ruling of the Ethics Commissioner. I'll just read it one more time. They were staring down in a sullen kind of way, so they may not have heard it.

I accept that there was a bona fide agreement on the part of Mrs. Klein and 575159 Alberta Inc. to pay for the shares. Therefore, no gift or other benefit within the meaning of section 7 of the Conflicts of Interest Act was received.

Further down on the page: "I am satisfied that there was compliance with the spirit of the Act regarding timely disclosure."

Now, obviously there's disagreement with the findings of the report, but you know, Mr. Speaker, individual members across the way or on this side were not the ones asked to come up with these findings. In fact, it was the Member for Calgary-North West, following hot on the heels of the Member for Edmonton-Glengarry, who had received a favourable report. When the Member for Edmonton-Glengarry had gone to the Ethics Commissioner and got a good report that went in his favour, no problem. The Member for Calgary-North West thought: let me try that. He then went to the Ethics Commissioner. The Member for Calgary-North West went to the Ethics Commissioner and said: will you please look into this? Fascinating. The Member for Calgary-North West did not ask a member of this House or a member of any judiciary to rule. He asked the Ethics Commissioner. Fascinating.

Now we'll go on, Mr. Speaker. In terms of any kind of unusual treatment related to Multi-Corp, it's interesting to note . . . [interjections] You know, Mr. Speaker, while they spoke, we were quiet here. We were quiet on this side. We were quiet, Mr. Speaker. Now as we speak, they are shrieking and chirping, and they just can't quite deal with it in a respectful way.

Mr. Speaker, it's interesting. Not only has the Ethics Commissioner made a ruling about the Premier's conduct in this affair, but there's an interesting observation recorded in the report – again, I failed to hear this one referenced when the members had lots of opportunity to do so – by an *Edmonton Journal* columnist, one Mark Lisac, who is known to all of us.

MR. HENRY: Not that rag.

MR. DAY: Well, the Member for Edmonton-Centre just referred to the *Edmonton Journal* as a rag. That's up to him, if that's how he sees that paper.

Marc Lisac, who, I think it's fair to say, would not be seen to be an overt friend and praiser of this particular government – the quote from the Ethics Commissioner's report says that the journalist who was on this particular trip to the Orient, Mark Lisac, also stated

that to the best of his recollection, there was no special or unusual treatment of Multi-Corp during the Hong Kong portion of the trade mission.

Now, that's from a reporter who is not particularly friendly to this particular government.

Now, on the question of timing, again, I didn't hear this quote referred. In fact, Mr. Speaker, here it says:

Clearly, Mrs. Klein did not have an interest in Multi-Corp at the time her husband attended the opening of the office in Hong Kong or at the time he made a speech to the Hong Kong Business Association. It is my opinion, therefore, that there was no breach of section 2 of the Conflicts of Interest Act when the Premier attended the opening of Multi-Corp's office in Hong Kong on November 20, 1993, and no breach of section 2 when he spoke at the luncheon on December 6.

Now, it's funny how they don't like to get to those quotes. They quote other things, but they somehow miss those particular ones.

I'll go on, Mr. Speaker, because Mrs. Klein's honour has been questioned once again. I will say that Mrs. Klein's honour has been questioned here in the Assembly, but I don't hear that out in the public, on the highways and byways, in the homes, in the coffee shops of Alberta. I don't hear that anywhere else, but I hear it here in the most – I'm trying to find a word that won't get me ruled out of order – unsavoury and, I would say, less than courageous manner by members who boldly stand in this House.

MR. BRUSEKER: A point of order, Mr. Speaker.

THE SPEAKER: The hon. Member for Calgary-North West.

### Point of Order

#### Factual Accuracy

MR. BRUSEKER: Well, 23(h), (i), and (j), Mr. Speaker. The request of the Ethics Commissioner was always to do with the Premier: the activities of the Premier, what the Premier did with respect to Multi-Corp. The issue here and the request that went to the Ethics Commissioner dealt with the Premier's activities. Now, the Premier's activities are a concern as a result of his wife owning shares. Quite frankly, the minister is off base. I have never in this House or outside of this House said anything negative about Mrs. Klein. My concern is always with the Premier.

MR. DAY: Well, Mr. Speaker, I am delighted to have that on record, and we will be tabling hopefully by tomorrow the number of times, in our view, that in this House alone, never mind outside of the House, the Member for Calgary-North West has cast negative aspersions on Mrs. Klein. We'll be tabling those tomorrow. [interjections] I'm responding to the point of order. That's not my speaking time. So I'll look to the Speaker if there's any ruling.

THE SPEAKER: Well, the Chair will treat this as a disagreement on facts. That's how this point of order will be resolved.

### Debate Continued

MR. DAY: Continuing with quotes that were not mentioned by members of the opposition. I'm sure that now that I've raised them, they'll try and find some specious way to get around them. Reading from page 14 of the report:

At the time Mrs. Klein purchased shares in Multi-Corp Inc.

1. a prospectus had been issued,
2. notices of material changes had been filed,
3. the private placement had been filled, and
4. the shares had recommenced trading.

Therefore, Multi-Corp's affairs had been fully disclosed to the public.

I'll go on from the same page, Mr. Speaker, quoting the Ethics Commissioner:

All the advice I received from persons involved in the investment community points to the conclusion that such activities by the Premier could not explain the performance of Multi-Corp's stock.

I will go on, though it's making members opposite uncomfortable. On page 15, the reference about "no payment . . . until the shares were sold by Mrs. Klein," "my own outside counsel," and, going on, he says that in consultation this "is not standard practice but it does occur with some frequency." "It does occur with some frequency." It is not in any way unheard of, Mr. Speaker.

9:40

On page 16: "The disclosure was timely." This is a quote from the Commissioner's report.

I have exercised my discretion under the Conflicts Act and allowed similar leniency on many occasions for Members on both sides of the House.

They like it when the Ethics Commissioner gives them leniency but not when it's accorded to this side of the House. On this issue of timing he says here that "the disclosure was timely."

I'll quote again:

Since I found no breach of the Conflicts of Interest Act, I am

reluctant to further invade Mrs. Klein's privacy regarding her financial status. I also do not wish to encourage any person to use the investigation process to obtain detailed financial information about Members unless a breach of the Conflicts Act is found.

You know, the Ethics Commissioner, in doing the review, had the honour to say that he did not wish to further invade Mrs. Klein's privacy. Mr. Speaker, I can tell you that anybody who is aware of the charitable and unselfish efforts to which Mrs. Klein applies herself unfailingly around this province would know and would agree with this comment from the Ethics Commissioner that they would suggest no further invasion be done.

The conclusion: "In my opinion, there has been no breach of any section of the Conflicts of Interest Act in this matter."

One final note, Mr. Speaker, on the issue of going to a court, it's very clear in all our references which we use in the governance of this House. In Maingot 1982, chapter 8, page 107:

Privilege of the House which gives it the sole jurisdiction over its own proceedings as set out in article 9 of the Bill of Rights, 1688.

Page 110 says something very important:

The courts also take judicial notice of the existence of a distinct practice and procedure of the House . . . in interpreting those statutes.

It goes on to say that:

The House . . . is not subject to the control of Her Majesty's Courts in its administration of that part of the statute-law which has relation to its own internal proceedings.

By the action taken by the Member for Calgary-North West when he referred it to the Ethics Commissioner, an officer of this House, he internalized it and said that this would be an internal matter from beginning and to where it ends, in this House. It is very clear:

The House . . . is not subject to the control of Her Majesty's courts in its administration of that part of the statute-law which has relation to its own internal proceedings.

The other times there were court references referred to had no bearing whatsoever on this, a totally different argument altogether. On page 158:

The Bill of Rights . . . also easily construes the right of each House to settle its own code of procedure . . . neither House is subject to the control of the courts in their administration of that part of the statute law relating to its own internal proceedings.

I could go on and on.

The case of Bradlaugh versus Gossett, which members opposite referred to I don't think a week ago and now back off from that, though they were quoting it not long ago. It says: "The jurisdiction of the House over its own internal concerns is like that of a court whose jurisdiction is not subject to appeal".

Mr. Speaker, we would be abdicating our responsibility to this Legislature as being the court in the land that needs to deal with this particular item. It's very clear. By the action taken by the Member for Calgary-North West, he in fact required that this be an internal process dealt with by this House. To do anything less would be in violation of precedents going as far back as 1688 on an item like this.

But what is the issue here? The issue is the adoption of American-style politics by members of the opposition party. There is one thing they know about negative attacks. There's one unfortunate thing about negative attacks, and that is that it does affect some people. There was a propaganda system developed in the '30s by a party called - well, I won't even refer to the party. I won't even give it the dignity to refer to it in this House. It was called the big lie, and the perpetration of the big lie involves continually repeating that which is not true, knowing that some people will eventually believe it.

Mr. Speaker, there has been no issue on which the opposition

can gain points politically; there has been no issue at all. They feel, very clearly, that their one slim hope is to continue to raise this as an issue, because they know it's the job of the media, quite rightly, to report on these proceedings. They know the tendency is that when the opposition says something, it's quoted as being said. When government says something, it's analyzed from every direction. That's the way it should be. They know how that process works, and their one slim hope, as they watch themselves in the polls go down, down, down, is to lash out like a drowning person and hope that they will hit somebody hard enough that they'll take them down with them.

It's been fascinating – over a week ago, Mr. Speaker – to watch members of their own party, members of the opposition party, face the media and say that they don't like these tactics. They don't like the tactics of their leader. They don't like the tactics of trash and burn, which the members opposite constantly use. They've stated that they're not even going to run again because of these cheap, trashy tactics.

Mr. Speaker, I think I've been very clear in terms of showing the precedent in receiving these reports, since it's been done with at least six other reports, in quoting the report itself to show that there was an exoneration of the Premier – we can disagree with it if we want, but there was a clear exoneration in the report – and in showing that it would be an abdication of our role as legislators if we depart from dealing with the internal proceedings of this House and hand it over to some other adjudicating body. It's been handed to an adjudicator, the Ethics Commissioner. He handed it back. The Liberals just didn't like it, and now they continue to perpetrate an attack of negativity, hoping that something sticks and they will score some points, and we know that negative advertising does work.

Mr. Speaker, I hope that other members would be persuaded that this is a matter for this Assembly to deal with. You were quite right in saying that the original motion was worded in a way that it would be neutral. Knowing that members opposite would politically have a hard time accepting the good findings, the motion was written in a way that would be neutral. It does not say "accept." It does not say "concur." It simply says that it is dealt with by receiving it. I would hope that all members of this House would follow the actions and concerns that were relayed to me not three hours ago out in the public, in a restaurant situation, where a member of the public said, "Why don't the Liberals stop this stupidity, and let's get on with the governing of the province of Alberta."

THE SPEAKER: The hon. Member for Edmonton-Mayfield.

MR. WHITE: Thank you kindly, sir. Perhaps a little less emotion and a little more logic would help here. [interjections]

AN HON. MEMBER: You woke them all up.

MR. WHITE: No, no. There are very few sleepy eyes over here.

Mr. Speaker, I hear all of this argument about precedents and all the rest of it, but the facts are really quite simple here. This report is a report from an officer appointed by this Assembly reporting to this Assembly, and to simply receive it in the manner in which it was recommended to be received by the Government House Leader is . . .

MR. HENRY: It would be rubber stamping.

MR. WHITE: A bad rubber stamp at that. Yes, other times we concurred in the report; we didn't find fault with it. As with the

Member for Cypress-Medicine Hat, it was clearly not a conflict. We read it and said: yeah, that's the case; there's nothing there. There were no errors in the report.

However, this report is completely and totally different. Here we are dealing with a minister of the Crown that is the prime minister of this Assembly. This is the representative of the people, and it's a charge of conflict, and whether you believe it or not, it certainly has to be examined very thoroughly. Yes, the member opposite for Red Deer-North was certainly astute enough to pick up that we would not like to see a favourable report, and conversely, their side would not like to see a negative report, because it affects every single one of us in this House. Therefore, the logical conclusion is to send it outside, send it to that body, the judiciary, that is supposed to be and, in my belief, is away from the fray, away from this. The amendment you have before you does exactly that. It sends it to someone that says: "Yes, we read this, and this is what we find. We read that, and we find this."

9:50

Quite clearly, the inconsistencies in this report are so glaring, and it was such a hurried, hurried job for whatever reason. I don't want to talk about why it happened because I quite frankly don't know, and we just have to be receiving these kinds of things. To find that an officer appointed by this Assembly came to these conclusions with all the error in fact along the way is most disconcerting and should be disconcerting to every single soul in this House.

Yes, it could well be that it could be all cleared up, that every single item could be identified, every error in fact could be rectified and all tidied up in a nice little bundle and returned to this Assembly. Yes, we may disagree with the findings, but the facts would be there. The facts would be proven, would be understood. Quite frankly, if an independent adjudicator reviewed all of the facts with a proper terms of reference, as the terms of reference are pretty well laid out in the amendment, it would be darn difficult for this side of the House to say, "Oh, there's still error here." Those members are not appointed by anyone close to this House, unlike the Ethics Commissioner, who is appointed by the majority of this Assembly, invited by, of course, a method that was quite reasonable. However, the facts are plain that there are enough errors – and I'll go through some of them – to say that, yes, there is room to believe that this needs another review.

The very first point, of course, is: how could one possibly believe that there's not an error in fact when on the third page there are 2 million dollars in shares issued and there's only \$1.6 million of it taken up? The Ethics Commissioner, after having that information before him, reads merely 1 million shares. I'm sure any number of members in this House who have had experience with the markets will be able to read the line and say, "Look; there's obviously an error here." Now, if it was a simple typographical or a minor error, it wouldn't make much difference, but then we're talking about other errors in fact, errors in fact on the timing of the transfer of these shares. It's unbelievable that one could say that we don't have time to really fully check on it.

Here we're dealing with the ethics of the number one minister, the prime minister of this province, if you will, the top job. This is the most damning charge that has been leveled at a Premier of this province for as long as I can remember and perhaps as long ago as the Brownlee affair in this province back in the teens and '20s, I believe. To deal with it in such a cavalier fashion as saying: "Hey, a couple of errors here. You know, gee whiz, we've got to forgive him a little bit for making a couple of

technical errors and technical breaches” – well, the facts are that a technical breach of the Act is a breach of the Act. Yeah, it can be forgiven by this House. It can be laid aside to say, “Well, it’s minor in nature,” but certainly not by the Ethics Commissioner. That is not his job. He does not determine that. He determines fact and determines the opinion whether it in fact is or is not in conflict. You can’t have it both ways and say, “Yes, it is, but, hey, we’re all friends, and we know he’s a nice guy.” It doesn’t work that way. You and I both know that. All the members in the House, not just you, Mr. Speaker. I’m sorry.

The classic is the transfer date, though. That’s the one that really sticks in one’s craw. If you can’t have the time to find out and to quiz the participants in this matter to the extent that you can identify exactly when the transfer date is – I mean, I’m not a rich man but perhaps not poor either, but when I transfer 10,000 shares or have a gift or some kind of transaction, I know the date the deal was cut, the date the actual transfer occurs. I think a member earlier pointed that out, that sometimes that is not the same date, but you certainly remember the day the deal is cut. That is absolutely burned – you remember the setting. There’s no question about it. To ignore that fact, to totally and completely ignore it, to say, “We don’t know when that occurred or how that occurred” or “Gee whiz, who did I speak to or when?” – it’s incomprehensible that any reasonable person would believe that.

Mr. Speaker, nobody wishes to call into question the character of anyone, except in public office you not only have to be scrupulously honest; you have to appear to be. There are just so many inconsistencies in this report, and the actions of the Premier and his wife make it darn difficult to believe that this should be just swept under the rug, as it were, and that’s what we’re doing. Today we’re trying to – yes, it’s a media event. Yes, we know that. It’s of media interest. So what do we hear today? We deal with the motions earlier to deal with a matter, some questions of fact also that nobody seems to want to know about in the Bovar matter. Do you think we can find that out? No, and it happens to occur on the same day, lo and behold. Jane Fulton: on the same day. Son of a gun. It happened on the same day. Those things just occur. And the primary accused in this matter doesn’t happen to be here again today. Golly. Son of a gun. You know, these occurrences just sort of happen. Nobody plans them. Good heavens. We wouldn’t want the appearance that we want to duck and dive. No, no, no. That couldn’t be the case.

Mr. Speaker, it does seem kind of strange that with all the inconsistencies of this report the members here cat-call and make all kinds of strange noises at strange times to do one thing: just to disrupt. They don’t want to find out the facts. They don’t want to understand them. They don’t want to say: okay; let’s deal with this matter and get on with it. No, no, no. They want to embarrass this side somehow, do whatever they can to disrupt the information that’s presented here. [interjections]

Mr. Speaker, this matter seems to have hit some kind of a funny bone on the other side. It’s strange, because, geez, you know, these are some pretty heavy allegations. Their leader is taking it pretty darn seriously, and he’s flown off the handle more than once on this matter. Gee whiz, I seem to remember three or four pretty close aides and friends have been summarily dismissed and, we presume, over this matter because all of those people happened to have connections with this matter.

Now, I don’t know. The members opposite seem to think it’s funny, perhaps, that the Premier can be embarrassed now and again and that the Premier’s wife, even worse, can be embarrassed over these matters. Well, it would be much easier had this

report been complete, had been accurate, and had been to the point that one could say: yes, the questions have been answered; we cannot ask any more questions about it. What happened in the course of time – you know what happened. Every time we asked a question it sent off another line of inquiry. If they were all answered at the outset, the filing of this report touching on the two or three matters – I think the Minister of Labour said six or something. Those matters were investigated to the bottom of it. What else can you ask? You have to agree to receive the report as information, because obviously there was nothing to be dealt with further. All the facts were plain and complete, so you move on. This is not the case here. We know that. Every single soul in this House knows that’s not the case. There are questions that it appears will never be answered unless we send it to a body that is totally and completely independent.

**10:00**

Now, how does one go about protecting the democracy if you can’t ask those questions, if you can’t receive answers to those questions, and the great public out there are saying, “Gee whiz; why can’t we get answers to this like normal souls that should in fact have these answers?” I mean, who else gets a perceived or a real \$10,000 gift, and we have to pay it now or pay it later? Not I. Certainly not you, sir. It just doesn’t occur. It could be explained; I’m sure it could be, somehow or other. I mean, the facts could be at least known, and then a judgment could be made.

Now, if the other side is afraid of some of the facts, well, then I suspect that’s what they would do: put their heads in the sand and try to bury the thing, bury it on a late night. The press is jammed up with 10 other stories so they don’t have time to write it, and we finish it off. Well, son of a gun, we’ve just gone into the evening news hour and they don’t have tape on the thing. They just haven’t discovered anything new. Why? Because that side has decided that no more facts will be known because they’re all damning. They would damn the Premier and say that he in fact did err or those around him erred on his behalf.

Now, that is plain and simply wrong, burying facts because you don’t like them. It’s not the way of a democracy. If you do happen to believe that there is some reasonable reason to doubt the findings of the report based on the facts, then it’s your duty to say: “Listen, let’s get on with it. Pass this amendment so we can get on with some other business of the House.” The independent body will review the matter, and we’ll have a reasonable basis in order to make a judgment, which we’re called upon to do. We’re supposedly that court that should make that final judgment, but not based on partial information.

There are so many other errors in this report that it just calls into question the competence or the state of mind of the writer. When you find the glaring errors and all of the information that the press fed on for weeks and months stemming from this report, one would say that there is but one solution. That is to get to the bottom of the matter, to pass the amendment that you have before you, and just do the right thing. Just do it.

Thank you, Mr. Speaker.

**THE SPEAKER:** The hon. Member for Medicine Hat.

**MR. RENNER:** Thank you, Mr. Speaker. I rise to speak against the amendment. I would like to just briefly discuss the Conflicts of Interest Act: the reason that we have a Conflicts of Interest Act, and the essence of the Conflicts of Interest Act, which is the Ethics Commissioner.

The members opposite have been referring all night long, since

we got talking about this amendment, about referring this matter to an independent third party. Mr. Speaker, my understanding of the Conflicts of Interest Act is that the Ethics Commissioner is the independent third party. That is the essence of the Act. When the Act was put together, there were some discretionary powers given to the Ethics Commissioner, and we've heard tonight instances where it is quite right and quite proper that the Ethics Commissioner should have some discretionary power.

When you put something like the Conflicts of Interest Act together, you have very rigid time lines. It says that members may not do this, but throughout the Act it says: without permission of the Ethics Commissioner. The Ethics Commissioner is supposed to look at each circumstance on a case-by-case basis, and independent of the Legislature – the Ethics Commissioner is independent of the Legislature – he is empowered to use his discretion to advise members whether or not they are indeed in conflict with the Act.

What this amendment in essence does is voice a vote of nonconfidence in the Ethics Commissioner, the independent adjudicator that is named under the Act to make those decisions. The members opposite are saying: "We don't like the report of the independent adjudicator. We think it should go to another independent adjudicator." And who knows? They may not like that one either, Mr. Speaker, and then who are we going to go with? I'm not sure. They may want to refer this to the Supreme Court next.

Mr. Speaker, I want to make one other point. When the members opposite suggest that this should be referred to this independent appeal, the Court of Queen's Bench . . .

MR. DICKSON: Court of Appeal.

MR. RENNEN: Court of Appeal; I'm sorry. They suggest that because the members opposite don't like the decision, don't like the report of the Ethics Commissioner, they would then refer it to the Court of Appeal. I wonder if they would then offer the same opportunity to a member of this Legislature who feels that that member does not like the report of the independent Ethics Commissioner. Would the member then have the same privilege of referring that to the Court of Appeal? No, the member would not have that right, because the Act is very clear that the Ethics Commissioner has the power to make the decisions and report back to the Legislature. So what is good for the Legislature should also be good for the member. The Act very clearly doesn't indicate that.

Mr. Speaker, we have now been here for some two hours discussing this issue. Personally, I would like to have an opportunity to have a look at *Hansard*, to review the discussion. I will look at the discussion, and I'm a little bit . . .

MRS. BURGNER: Chagrined.

MR. RENNEN: . . . chagrined – thank you; good word – to note that this issue we have been here for the last two hours debating – I look across the way and I see only six members over there. They're so concerned that they have six members who have remained behind to participate in the debate.

Mr. Speaker, I would suggest that we adjourn debate and return when more opposition members see fit to participate.

**10:10**

THE SPEAKER: The hon. Member for Medicine Hat has moved that debate be now adjourned on Motion 17. All those in favour of this motion, please say aye.

SOME HON. MEMBERS: Aye.

THE SPEAKER: Those opposed, please say no.

SOME HON. MEMBERS: No.

[Several members rose calling for a division. The division bell was rung at 10:11 p.m.]

[Ten minutes having elapsed, the Assembly divided]

For the motion:

Amery	Friedel	Renner
Beniuk	Hierath	Rostad
Brassard	Hlady	Severtson
Burgener	Jacques	Shariff
Calahasen	Jonson	Stelmach
Clegg	Kowalski	Tannas
Coutts	Langevin	Taylor
Day	Lund	Thurber
Dinning	Magnus	Trynchy
Doerksen	Mar	Woloshyn
Dunford	Mirosh	Yankowsky
Evans		

Against the motion:

Bracko	Henry	Sekulic
Bruseker	Massey	Van Binsbergen
Collingwood	Nicol	White
Dalla-Longa	Percy	Zwozdesky
Dickson		

Totals:	For – 34	Against – 13
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[Motion carried]

[At 10:24 p.m. the Assembly adjourned to Thursday at 1:30 p.m.]