

**LEGISLATIVE ASSEMBLY OF ALBERTA**

Title: **Wednesday, July 19, 1989 2:30 p.m.**  
 Date: 89/07/19

[The House met at 2:30 p.m.]

[Mr. Speaker in the Chair]

**PRAYERS**

We, Thine unworthy servants here gathered together in Thy name, do humbly beseech Thee to send down Thy heavenly wisdom from above to direct and guide us in all our considerations.  
 Amen.

**head: NOTICES OF MOTIONS**

MR. MARTIN: Mr. Speaker, I rise to give oral notice under Standing Order 40 to request, after question period and before the calling of Orders of the Day, unanimous consent to debate the following motion:

Be it resolved that the adjournment hour of the Assembly be extended today to 8 p.m. to permit wide-ranging debate on the report of the Code inquiry on the collapse of FIC, AIC, and the Principal Group of Companies under consideration of the Provincial Treasurer's departmental estimates designated by the Official Opposition for this afternoon's agenda.

MR. DECORE: Mr. Speaker, pursuant to rule 301 beg leave to introduce notice with respect to debate under Standing Order 30. Notice, pursuant to your request, has been delivered to you, and it is to suspend the daily routine after question period and to allow the House to move immediately into a debate on the Principal Group matter.

**head: INTRODUCTION OF BILLS****Bill Pr. 5****Misericordia Hospital Amendment Act, 1989**

MR. ZARUSKY: Mr. Speaker, I beg leave to introduce Bill Pr. 5, the Misericordia Hospital Amendment Act, 1989.

This is a Bill to change from two bodies to one corporation.

[Leave granted; Bill Pr. 5 read a first time]

**Bill Pr. 4****Edmonton Community Foundation  
Amendment Act, 1989**

MRS. HEWES: Mr. Speaker, I beg leave to introduce Bill Pr. 4, the Edmonton Community Foundation Amendment Act, 1989.

This Bill, Mr. Speaker, carries out extensive amendments to the Edmonton Community Foundation Act with a view to enabling the foundation to become active again.

[Leave granted; Bill Pr. 4 read a first time]

MR. SPEAKER: Edmonton-Meadowlark.

**Bill Pr. 10****Margaret Kenford Adoption Act**

MR. MITCHELL: Thank you, Mr. Speaker. I request leave to introduce Bill Pr. 10, being the Margaret Kenford Adoption Act. This Bill provides for the adoption of an adult.

[Leave granted; Bill Pr. 10 read a first time]

MR. SPEAKER: Edmonton-Gold Bar.

**Bill Pr. 13****Sherry Lynn Adam Adoption Act**

MRS. HEWES: Thank you, Mr. Speaker. I request leave to introduce Bill Pr. 13, the Sherry Lynn Adam Adoption Act. This Bill provides for the adoption of an adult.

[Leave granted; Bill Pr. 13 read a first time]

**head: TABLING RETURNS AND REPORTS**

MR. KLEIN: Mr. Speaker, I would like to table with the Assembly, the annual report of the Surface Reclamation Fund.

**head: INTRODUCTION OF SPECIAL GUESTS**

MR. ZARUSKY: Mr. Speaker, I'd like to introduce to you and to the rest of the Assembly three gentlemen from the Redwater-Andrew constituency who are also involved in local government out there. They're visiting the Legislature today in regards to some municipal matters. They are: Mr. Ed Stelmach, the reeve of the county of Lamont; Mr. Dennis Ostafichuk, mayor of Andrew; and Mr. Marshall Stewart, councillor from Andrew. They are seated in the members' gallery. I ask that they rise and receive the warm welcome of the Assembly.

MRS. BETKOWSKI: Mr. Speaker, I am pleased to introduce several guests from Japan who are visiting health care facilities in our province and city. I would ask the following visitors to rise when I read their names: Mr. Nakanishi, Mr. Kataumi, Mr. Kobayashi, Mr. Kiriyama, Mr. Amano, Mr. Tsujita. All are accompanied by a person from my own department, Ms Moira King. I'd ask them to receive the warm welcome of our Assembly.

MR. DINNING: Mr. Speaker, it's my pleasure today to introduce a number of special visitors here from Trinidad. There are some 25 students in all, in addition to eight adults with the group and seven adults from Edmonton. They are joined by Dr. Allan McKenzie and Mr. Hydal, their two leaders. They're also joined by a very good friend of all of ours, Dr. Steve Ramsanker, who is the principal of Alex Taylor school. I know that this is a return visit; Dr. Ramsanker visited Trinidad during the spring break with a number of students from Alex Taylor school. So I'd ask them all to rise and receive the very warm wishes of the Assembly.

MR. TANNAS: Mr. Speaker, I'd like to introduce to you and through you to members of the Assembly an educational con-

sultant from the Foothills school division Miss Maureen Close, and I would ask her to stand and receive the welcome of the House.

head: **ORAL QUESTION PERIOD**

**Code Inquiry Report**

MR. MARTIN: Mr. Speaker, to the Premier. The report produced by Mr. Code yesterday is frankly a damning indictment of the last 10 years of this Conservative government's unholy alliance with its corporate friends. The government let Mr. Cormie break the laws, break the regulations, and then helped him cover it up. Now, he makes it clear that this government is to blame. He says that the superintendent of insurance "did not fulfill his duty to administer and enforce" the Investment Contracts Act. This failure involved dishonesty on his part. He also says that the chief regulator's failure to protect the public was a result of compliance with the policy of his boss, the former Minister of Consumer and Corporate Affairs. He describes her conduct as being, among other things, "neglectful," "misguided," and "reckless." Mr. Speaker, given that on November 23, 1987, the Premier told this Assembly that the government would repay investors "if there is negligence, any proof that the government has in some way damaged the investors," will he now tell us what it will cost Alberta taxpayers to keep his promise to make good on his government's negligence?

MR. GETTY: Mr. Speaker, I'm surprised actually that the Leader of the Opposition would phrase his question that way when the government has already stated that, yes, this is a very important report; it's on a very important matter. It has just been released, and the government will take a period of time to give it full assessment and then make a statement covering the entire report.

MR. MARTIN: Mr. Speaker, this has been going on for two years. We were told by this government that when the Code report came back, they'd let us know what's going on.

My question is to the Attorney General. The report also finds multiple instances of fraudulent and dishonest conduct on the part of Mr. Cormie. My question is to the Attorney General. Will he now indicate what steps his department will take to recover assets still in possession of this man to ensure that they help to reduce the burden on Alberta taxpayers by helping to pay back the investors?

MR. GETTY: Mr. Speaker, I think the hon. Leader of the Opposition would agree with me that since there is a Mr. Cormie and a Mr. Cormie who are businessmen in Alberta, he'd want it clear that it's Cormie.

MR. MARTIN: Agreed, Mr. Speaker. I take that and want to make that clear to the Assembly.

MR. ROSTAD: Mr. Speaker, I believe the hon. Leader of the Opposition is in error when he says that the inspector, Mr. Code, found there was fraud or dishonesty. He gave evidence that tended to show that, which was not even within the parameters of that. But aside from that error, I can assure the Assembly that the Attorney General's department, through the RCMP, is actively after the assets and any other things that may result in

laying some actions.

MR. MARTIN: Well, Mr. Speaker, that is encouraging, but to follow up with the Attorney General then: what steps specifically is the Attorney General taking to ensure a quick response to the strongly worded allegations Mr. Code has made? In other words, does he intend to follow up and lay criminal charges?

MR. ROSTAD: Mr. Speaker, whenever there are instances of alleged wrongdoing, the RCMP as the police force for our province are sent in. They've been monitoring and investigating this particular action since the inception. I'm sure that once they've been able to distill all of the information and follow it through its many, many tentacles, there will be action taken.

MR. SPEAKER: Second main question.

MR. MARTIN: Yes, Mr. Speaker, also to the Premier. In 1987 the Premier and his ministers repeatedly told this Assembly that only after the report of the Code inquiry would they respond to charges that the ministers of the Crown and their officials were somehow responsible for the collapse of the Principal companies. Now, the Premier is saying that it'll be sometime in the future. Time is of the essence for many of these investors. This report is a clear indictment, it shouldn't take long to figure that out, of the roles of certain ministers and the government as a whole under this Premier and his predecessor. While certain ministers have to take responsibility, the responsibility rests right at the top with this Premier.

Let me ask some questions about the former Minister of Consumer and Corporate Affairs, now Career Development and Employment. Mr. Speaker, given that the Code report calls the minister's conduct "neglectful, misguided, or even reckless," and he indicates that she breached -- he says that -- her public duty, will the Premier now tell the House whether the minister has done the right thing, the honourable thing, and tendered her resignation? If not, when will he seek it?

MR. GETTY: Mr. Speaker, I'm quite surprised at the lead-in by the hon. Leader of the Opposition regarding the Code report. It has taken some two years for Mr. Code to go through this matter, some \$25 million. He has put in a report in excess of 600 pages. Having done that, and accepting, as I have with the hon. Leader of the Opposition, the importance of the issue, surely the responsible, intelligent thing to do is to take some time and go through the report. It's going to be a matter of approximately a week, as the Provincial Treasurer said earlier, for the government to deal with the matter in detail and make a statement. Now, I think that's responsible. I think it's far more responsible that you take the time to read and assess it than rush to the media, as the hon. leaders of the two opposition parties did, without even reading the report. Now, that's irresponsible.

MR. MARTIN: Mr. Speaker, we read that report, and it doesn't take a genius. Even the Premier could figure out when they say "neglectful," "misguided," and "negligent," what that means.

To the Premier. My question is: saying that that was said and there was a breach of duty by this minister, is he going to demand the resignation and do the right thing or not?

MR. GETTY: I repeat, Mr. Speaker: the government will take the report, assess it, and make a statement.

MR. MARTIN: Mr. Speaker, this has been going on for over two years.

My question flowing from this: how much harm does a minister of this government have to impose on innocent Albertans before this Premier demands a resignation?

MR. GETTY: Again, Mr. Speaker, my answer stands. The government has received a very important report. It's a long report, complex, one that has taken a long time to be compiled. We've just received it. I might also point out to the members that the report was in the hands of the justice, and the justice did not make copies available even to all members of the Legislature. Therefore, I think it's reasonable to say that this body, this House, should have copies of that report. That's being done as quickly as possible. As a matter of fact, I feel it's incumbent on members to read this report. I have. The government will respond in a reasoned manner after full assessment.

MR. DECORE: Mr. Speaker, I don't think it takes a week to read a report that is clearly and very nicely written. You don't have to be a lawyer to understand it. I've read the report. This report . . . [interjections] Even you could understand it, Mr. Premier.

Mr. Premier, the report singles out two ministers of the Crown. They're singled out for being tardy, for being negligent, and one for being reckless. The report says that if ministers had taken proper action, millions of dollars could have been saved by that action. I believe the financial stability of this province has been affected by this inaction.

MR. SPEAKER: The question, please.

MR. DECORE: Parliamentary custom calls for a discipline action to be taken by a leader. Mr. Premier, first of all, I'd like to ask whether you have read the report, sir?

MR. GETTY: Mr. Speaker, yes. And I'll guarantee you the hon. member hadn't before he was running to the media yesterday.

MR. DECORE: Well, I'm sure he'll agree that it is clear, and on that basis I would like to ask the Premier whether he's prepared to take the necessary disciplinary action against two ministers who are so clearly and totally singled out for their incompetence that something should be done now. Are you prepared to do it, sir?

MR. GETTY: One of the things the hon. member has learned from his predecessor, who sits behind him, is that when you have a fairly weak position, yell. The lesson's been passed on well.

As I said, Mr. Speaker, what we are going to do is take a very important, complex, and detailed report, assess it -- the people of Alberta would want us to do that -- in a reasoned, detailed manner, and then respond to it. That's exactly what we intend to do.

MR. DECORE: We're seeing the same tardiness, ironically, as we saw from the government before, Mr. Premier.

My question is this: can you give some assurance to investors outside of the province of Alberta that they, too, will be looked after, that they will get the same sympathy that I think

Albertans are entitled to get that invested in these Principal Group companies?

MR. GETTY: I must say, Mr. Speaker, that I've just answered the question that the government is going to assess the report and then make a statement and the actions that it will follow. When the hon. member talks about tardiness, the government moved faster than Mr. Code did.

#### Suffield Defence Research Establishment

MR. MUSGROVE: Mr. Speaker, my question is to the hon. Minister of Federal and Intergovernmental Affairs. Yesterday there was a delegation from the Soviet Union in my constituency, visiting the Canadian armed force base in Suffield. Now, I wonder if the minister has had a chance to contact the officials of Suffield army base and discuss the reason for the Soviet delegation.

MS BARRETT: Don't you have any constituents you want to represent on Principal instead? [interjections]

MR. SPEAKER: Order please. Order. Let's not have this going on. There is enough of it. The member has asked a question. It is indeed up to the minister to respond, not the members of the opposition. Thank you.

MR. HORSMAN: Mr. Speaker, it was a very important delegation in Alberta yesterday, 10 members from the Soviet Union, including scientists, military personnel, and diplomats, who were visiting the Suffield experimental station for the purpose of reviewing with the Defence Research Establishment the issue of toxic nerve gasses, their Use and storage and testing.

They were there at the invitation of the then Minister of National Defence, the Hon. Perrin Beatty, and the invitation was continued by the current Minister of National Defence, Mr. Bill McKnight. I had the opportunity last evening in Medicine Hat to have brief discussions with representatives from both the U.S.S.R and the Canadian forces and the Defence Research Establishment staff, who indicated that the visit had gone very well and that this very major step towards, hopefully, further action in Geneva and the discussions relative to elimination of toxic weapons and nerve gas testing in the world can be regarded as fairly significant in terms of moving towards elimination of those dreadful weapons.

MR. MUSGROVE: Mr. Speaker, it was indicated that disposal of present storage of [nerve] gas on hand was all that is happening at the Suffield army base at the present time. I'm wondering if the minister found out yesterday from the Canadian armed forces base and from the Soviets whether there is still experimental work going on and testing of poisonous biochemicals in Suffield.

MR. FOX: You've got more nerve than gas.

MR. HORSMAN: Mr. Speaker, well, the hon. Member for Vegreville and the NDP think this is a funny issue. I thought they thought it was a serious matter.

In any event, it was made clear that no further testing is taking place. A report commissioned by the Department of National Defence, by William Barton, was made public some time

ago. They recommended a process for disposal of gases stored there, and that process is being reviewed. But I was assured last evening that no additional testing is under way now or contemplated in the future at the base.

MR. MUSGROVE: My final supplementary, Mr. Speaker, would be to the minister of hospitals and medicare.

MR. SPEAKER: We don't have one of those anymore.

MR. MUSGROVE: Under section 3 of the Public Health Act the minister has the authority to call for an investigation into the testing and storage and disposal of chemical weapons. Does the minister have any intention of carrying on this type of an investigation?

MRS. BETKOWSKI: I'll take the question as the Minister of Health, Mr. Speaker.

Certainly, the safety and the handling and the disposal of materials in this instance would be the responsibility of the Department of National Defence, and I have no reason to believe they aren't being handled in a safe way. Nonetheless, in the interests of not only the people in the surrounding area but also the interests that we all attach to the issue, I have asked the officials in my department from the environmental health section to discuss the matter with Department of National Defence officials to ensure that the health and safety in the surrounding area are well protected.

With respect to taking any action under section 3 of the Public Health Act, I'm not prepared to respond in the House today to that matter. Nonetheless, it will be something that I will review.

### **Code Inquiry Report**

*(continued)*

MR. WRIGHT: Mr. Speaker, never in the 19 years of the existence of this Conservative government has anything more clearly been shown than has been shown in Mr. Code's report of the extent to which a Conservative government, and this government in particular, is willing to stand by its friends in rich and powerful places while they skim money and extract money from the common people in circumstances instinct with fraud and dishonesty. Yet the Attorney General tells us that he still hasn't decided, after two years of police investigation, against whom charges should be laid. What in heaven's name have the police been doing in the meantime?

MR. ROSTAD: Again, Mr. Speaker, fraught with error. This government did not do this. This government implemented this initiative. [interjections] Again, they don't want to hear the answer.

I'm also somewhat dismayed that the hon. Member for Edmonton-Strathcona, who at one time was employed in the Attorney General's department, does not understand that once an investigation is put under way in a criminal matter by a police force, you do not interfere. You allow them with full, open mandate to do a full, open investigation and then lay the charges against all of those who may be guilty. This rush to have something happen tomorrow is a desire for all of us. But also there is a legal procedure that we have as a tradition, and that's let the police force do their work.

MR. WRIGHT: In my day, Mr. Speaker, we certainly got answers on important matters within two years.

Within that length of time, Mr. Speaker, what steps have the police taken to secure the evidence so that when and if charges are laid, there'll be a reasonable chance of proceeding successfully?

MR. ROSTAD: Mr. Speaker, again a person with legal training would not expect to divulge the details of an investigation, the modus operandi of an investigation. Again, leave the police to their work. The RCMP have one of the highest traditions; they also want to see justice done.

MR. WRIGHT: Well, again secrecy and cover-up, Mr. Speaker.

Given that the Cormie family is widely spread, what can the Attorney General tell us about the efforts of the police to widen the investigation beyond Alberta and Canada and to seek the greatest relief that is possible elsewhere?

MR. ROSTAD: Mr. Speaker, I think part of the answer's couched in the two previous ones. But I can assure the hon. member that the police do know the whereabouts, maybe not from minute to minute but generally know the whereabouts, of all of the players in this. They know the details that have been accumulated over the last two years. We don't in our justice system have an Attorney General or a member of this government who runs or controls the RCMP. When they are encroached with a duty, they carry it out, and in due time I'm sure the hon. member will be happy, as well as everybody in this Assembly, that charges will be laid.

MR. SPEAKER: Calgary-Buffalo, followed by Lesser Slave Lake.

MR. CHUMIR: Thank you, Mr. Speaker. It's important that this Assembly have the opportunity to fully question ministers, former ministers, and civil servants about their role in the Principal affair. Unfortunately, the question period format is inadequate since it doesn't even allow the former Minister of Consumer and Corporate Affairs, the Member for Three Hills, to be questioned about her former portfolio. I would suggest that we need to refer this matter to a committee, possibly the Standing Committee on Public Affairs, and to give that committee the right to call witnesses. To the Premier. I'm wondering whether the Premier would agree that it is appropriate for members of this House to have the opportunity to question the former ministers, including the Member for Three Hills and others, on these matters.

MR. GETTY: Mr. Speaker, I guess the hon. member can put any motion on the Order Paper he'd like. But what is remarkable is to hear him ask whether ministers and members of the government can be questioned in an open forum when, in fact, the government placed in the hands of the court the most powerful type of inquiry possible. In fact, we have just had the ministers and the various . . .

MR. McEACHERN: No way. It was not a public inquiry.

MR. SPEAKER: Excuse me, hon. Premier.

Edmonton Kingsway, thank you. That's enough time for comment. If you want to get into the question period, the Chair

will recognize you later in the day. Thank you very much.

Premier.

MR. McEACHERN: A point of order, then, at the end of question period.

MR. SPEAKER: Absolutely. I welcome it at the end of question period.

Hon. Premier.

MR. GETTY: The most exhaustive inquiry, questioning, if possible -- the government provided the best possible lawyers to all of those who were participating. Some 200 manuscripts of detailed questions and answers and now a report, and the hon. member says, "Let's have a question and answer period of these people." I think that is absolutely going across old ground. This is why -- such a detailed report, such an exhaustive study by Mr. Code -- the government is saying that we should now, all members, take the time to get a copy of the report and read it. The government will in fact assess the report and make a full statement with regards to its actions because of it.

MR. CHUMIR: Mr. Speaker, the Code report dealt with legal accountability, and this House is interested in public and political accountability. I'm wondering whether the Premier, then, is saying that, no, he is not going to co-operate with any efforts to enable members of this House to get answers directly from the Member for Three Hills with respect to her former portfolio.

MR. GETTY: Mr. Speaker, it's unbelievable that the hon. member would say that the government was not going to co-operate to get answers when we have put in place this powerful judicial investigation. We ordered the Ombudsman to carry out an investigation as well, and both have been going on in such detail, leading to one report and a further one to come. I think that's an unbelievable statement for the hon. member to make.

MR. CHUMIR: Well, let's get precise, because process is fundamentally important in this issue. Is the Premier prepared to support an initiative to refer this matter to a standing committee in order to allow witnesses, including the Member for Three Hills, to be called and answer questions?

MR. GETTY: I can only refer the hon. member, Mr. Speaker, to the answer that I just gave him. He may read his questions over and over, but he should also listen to the answers.

MR. SPEAKER: Lesser Slave Lake.

### **Paving of Secondary Roads**

MS CALAHASEN: Thank you, Mr. Speaker. This is to the minister of transportation. During the March election the government promised that all secondary roads would be paved within a 10-year span. A principal concern of my constituents and myself are the roads in my constituency. They are in a sad state, needing a great deal of upgrading. My constituents are extremely interested in knowing what construction will occur on highways 88, 754, 750, and 813.

MR. ADAIR: Relative to the secondary highway program that was announced during the last election, Mr. Speaker, that gives

me an opportunity to maybe identify the number of gravel roads that are in the province and what are secondary highways and what are not. There are 140,000 kilometres of gravel roads in the province, 14,600 of which are secondary highways. In relation to the ones you asked about, 813 is the one between Calling Lake and Wabasca. There is grading going on now, hopefully to be completed by this fall, God willing and weather permitting. That's whether they finish it or not with the kind of weather we've had, and that's not a pun, Mr. Speaker.

On 750 there's a carryover contract from last year, and hopefully we'll be announcing one in the fall to proceed from that particular point on. Highway 88 has a major construction program on it, north to Red Earth from the junction of 750 and 88, and that's a primary highway.

MS CALAHASEN: Just a second question. When will the priorities for construction be set for next year, and how are these done?

MR. ADAIR: Mr. Speaker, to the hon. Member for Lesser Slave Lake. What happens is that the department officials sit down with in this case the improvement district council and get from them their priorities, usually listed on the basis of one, two, three, and four, with the attempt that we will try and do number one and, if possible, if there are dollars available, do two. The last couple of years that has not been the case in that sense, but what we would do also is have an indication from the MLAs of the area what their priorities are, after working it out with the various councils.

MR. SPEAKER: Final?

MS CALAHASEN: Thank you. I'm fine.

MR. SPEAKER: Okay. Calgary-Mountain View, followed by Edmonton-Gold Bar.

### **Code Inquiry Report**

*(continued)*

MR. HAWKESWORTH: Thank you, Mr. Speaker. In July 1986, a month after the Treasurer's department assumed responsibility for regulating the Cormie companies, the Treasurer was advised by British Columbia regulators that the sale of investment certificates in that province would be terminated and that independent consultants should be appointed to review FIC and AIC finances. As well, Inspector Code found that the Treasurer was aware of the public Auditor's 1985 report outlining major concerns with the Cormie companies' affairs. Yet it was several months later, not until November '86, after the companies were already reported insolvent, that the Treasurer finally got around to appointing some independent consultants. To the Provincial Treasurer. Does he agree with the inspector's view that without his puzzling lack of action, there would have been less money lost to investors and more assets left to divide among them after the failures?

MR. JOHNSTON: Mr. Speaker, I think we've already made it very clear that until we have an opportunity to bring together a full review of the Code report, we will simply take these questions as notice. At some time, probably in the next week, as the Premier pointed out, we'll provide a comprehensive and full

response where necessary, I would imagine including some comments on what Mr. Code may have said about the government or certain members of the government. But at this point, Mr. Speaker, I think we made it very clear on Monday that that will be our position.

MR. HAWKESWORTH: Mr. Speaker, this is all part of the pattern of this government to avoid this particular problem. It's been 10 years.

MR. SPEAKER: Question.

MR. HAWKESWORTH: Will the Treasurer now affirm the conclusion of the inspector that he, the Treasurer, knew or ought to have known that statements in the FIC and AIC certificates were untrue? Thus by allowing the continued sale of the certificates to the unsuspecting public long after they should have been allowed on the market, he was helping in the cover-up of these problems with FIC/AIC.

MR. JOHNSTON: It strikes me, Mr. Speaker, that the member wants to go right through the entire process of investigation of what Mr. Code spent from October of 1987 until yesterday trying to unfold, trying to unravel. As I have said before in this House, this government has made every possible piece of information available. We have put in place a process which cost the taxpayers of this province some \$25 million approximately. All members of cabinet who were involved in any way have either given a declaration deposition, attended in person, or made available to them all the evidence possible. So I think that process, together with the Ombudsman process, has been the fullest possible discussion and review of this particular big problem, a problem which this government is going to deal with and give a recommendation to within the next week.

Mr. Speaker, let me make it very clear that if the member continues in this case, I think what he's suggesting is that a servant of the court, Mr. Code in this case, did not do his job well. Now, I don't want to put words in his mouth, but it seems to me that's what, in fact, he's implying. What we have done here is put in place an unheard of process to ensure that every possible bit of information is provided. Mr. Code's report is here now, and we're going to weigh it.

MR. HAWKESWORTH: Mr. Speaker, the conclusion of this report was that there was one consistent response from this government: delay, delay, delay. That's still what we're getting here this afternoon.

Will the Treasurer tell this Assembly why it took him 14 months after this present Premier took over the job of government to tell the Premier that something had to be done about FIC/AIC? That's the Premier's sworn statement.

MR. JOHNSTON: Well, Mr. Speaker, we've already given that information to Mr. Code, and we stand by the testimony we gave there. The reasons -- you know, you can't just take one side of the issue, as the member has put forward here. There are other reasons. I'm not going to get into them right now, but I have had a chance to make the explanation on behalf of the government, and as I say, we stand by what we gave to Mr. Code.

MR. SPEAKER: Edmonton-Gold Bar, followed by Clover Bar,

and then Vegreville.

MRS. HEWES: Thank you, Mr. Speaker. To be sure, it has just been pointed out that the Code report was in fact very critical of the failure of the Provincial Treasurer to act to protect investors earlier than he did. Investors, in fact, continued to put money into First and Associated from June '86 to July '87, long after the minister had audits and other reports showing that the companies were insolvent. In fact, testimony at the Code indicates they should have been closed in 1984. My question to the Treasurer is a very simple one. I'm not just puzzled; I want to know why. I want the Treasurer to explain to the House why he didn't take action when he got the audit report in May '86. Why didn't he take action right then?

MR. JOHNSTON: Well, again, Mr. Speaker, everyone, including Mr. Code and now the member, has the advantage of hindsight. As I said before, we will make our position here clear in the next week. We have no hesitancy in putting together a package which I think will explain our position, which will respond to what Mr. Code has said. Until then our position is very clear. You can raise all those kinds of questions. You can make all those kinds of statements, but I think you're pre-empting what, in fact, Mr. Code has said. Moreover, you're pre-empting what, in fact, the court has ordered.

MRS. HEWES: Mr. Speaker, it's time to stop dissembling. It's time to stop dissembling, Mr. Minister. Does the minister then acknowledge that all of those ensuing months good-living, God-fearing Albertans were putting their hard earned savings into insolvent companies as a result of his licensing? Do you acknowledge that, Mr. Minister?

MR. JOHNSTON: Well, Mr. Speaker, there's no question that the company did not end until June 30, 1987, so whatever dollar was taken before that, going back 50-some years, I suppose, was possibly included in whatever losses may have been experienced by the contract holders.

Mr. Speaker, the members are calling for the government to give a response, to do something, to come to some conclusion. We've given you the assurance that we'll do that within the next few days.

MRS. HEWES: Okay, Mr. Speaker. It's obvious the Treasurer has read the report, and it's clear enough there. Does the Treasurer then acknowledge that it was absolutely unethical for his government to have knowingly allowed investors to continue to put money into bankrupt companies?

MR. JOHNSTON: Mr. Speaker, again the member is drawing some very curious conclusions that we can't agree with. You'd have to go back a very long ways to judge what it is the member was saying. Frankly, I think the question is really out of order.

MR. SPEAKER: The Chair concurs, as a matter of fact.  
Clover Bar, followed by Vegreville.

#### Highway 14 Intersections

MR. GESELL: Thank you, Mr. Speaker. My question is related to the safety concerns at the 23rd Avenue and Highway 14 intersection, and it's addressed to the Minister of Transporta-

tion and Utilities. In response to my question yesterday in this House, the minister indicated, and I refer to *Hansard* page 818, that his department will undertake a full review, and further he indicated that he may be able to implement some short-term and long-term solutions. [interjections]

MR. SPEAKER: Order please in the House.

MR. GESELL: Thank you, Mr. Speaker.

Will the minister indicate when the full review by his department may be completed?

MR. ADAIR: I can't give you an exact date, Mr. Speaker, in the sense of the complexity of the fact that there were two fatalities within a short period of time at that intersection. We do have the investigation under way, and the report will be to me as quickly as they have it completed. That's all I can do right at the moment.

MR. SPEAKER: Supplemental.

MR. GESELL: Thank you, Mr. Speaker. Will the minister indicate what short-term solutions which he referenced in his answer he may be able to implement and when?

MR. ADAIR: As I said yesterday, Mr. Speaker, one of the short-term solutions may well come from a recommendation out of the investigation. One has already been presented to me. That's the extending of the turning lane and then putting an island in there so that those who stop on 23rd would be able to move a little further out with the protection of the island and then only have the two lanes to cross. That's one that has been provided to me already as a recommendation that might be completed in the short term.

MR. SPEAKER: Final.

MR. GESELL: Thank you, Mr. Speaker. Then on to the long term. Will the minister indicate the time frame for the long-term solutions required in his response?

MR. ADAIR: Mr. Speaker, I can't give any more detail on that other than to say that there is some land acquisition taking place right now relative to one future overpass on that section of highway, and I believe it's 45th Avenue.

MR. SPEAKER: Vegreville, followed by Westlock-Sturgeon, then Calgary-Fish Creek.

[Mr. Deputy Speaker in the Chair]

#### **Loans and Loan Guarantees to Peter Pocklington**

MR. FOX: Thank you, Mr. Speaker. This Conservative government making secret deals to prop up and protect their buddy Don Cormie caused the Principal fiasco and left thousands of innocent Albertans and taxpayers holding the bag. As well, they've made secret deals to prop up and bail out their buddy Peter Pocklington, and Alberta taxpayers could be left holding a \$67 million bag. Now, evidence tends to show that soon after the government made a \$12 million loan to Mr. Peter Pocklington at 9.6 percent, Gainers Inc. issued \$12 million worth of

preferred shares to pay dividends at 9.6 percent: perhaps another of the Treasurer's coincidences. I'd like to ask the Provincial Treasurer very clearly: does the provincial government, any of its agencies or numbered companies have any interest in these \$12 million of preferred class C shares, or are they held by Gainers Properties Inc.?

MR. JOHNSTON: Well, Mr. Speaker, there seem to be several questions there. I can say that the province does not own any pref shares of any company operated by Gainers, Gainers Inc., or the Pocklington empire.

MR. FOX: Well, I'm talking very specifically about \$12 million of shares approved soon after these loans were approved, Mr. Speaker. I think the Provincial Treasurer ought to know.

I wonder what evidence the Provincial Treasurer can use to show Albertans that this \$12 million loan, \$6 million advanced so far, has not been used to cover the operating losses of Gainers Inc.

MR. JOHNSTON: Well, Mr. Speaker, there seems to be a mix and a match of various concepts flowing from the member. He tends to put his mouth in gear before he starts thinking. Let me make it very clear that we have already indicated that the government, the department of economic development, put in place a \$12 million provision. That \$12 provision was subject to certain conditions, and those conditions were satisfied along the line. We advanced \$12 million in that line. You've already had the minister explain that to you. That \$12 million was for two purposes: for general purposes of the corporation to allow it to restructure itself, to deal with the kinds of problems it was facing, for general purposes that we've indicated.

[Mr. Speaker in the Chair]

At the same time, there'll not be any more money allocated under that \$12 million line of credit, because of course the company has until September 30, 1989, to start construction of a new plant. Now, if that plant does not start, no more money will be advanced on this loan vehicle, Mr. Speaker, a loan vehicle against which the government has security, against which payments on interest start October 1, 1989, and which, in fact, is at normal commercial terms. Now, that's the outline of the deal. I've answered both questions as fairly and objectively as we can. For the member to read into that or try to cause people to read something into it is in fact misleading.

MR. FOX: You've not answered the question, and Bill Code's going to have another job to do if you don't straighten this mess out. The question remains: what evidence does the Provincial Treasurer have to prove that the \$6 million advanced to Peter Pocklington is not being used to cover the operating losses of Gainers Inc.?

MR. JOHNSTON: Well, again presumably he's flagging some major mystery here. We said that the \$6 million could in fact be used for general purposes. But in doing that, the same as any other person, you advance the money, you take the covenants back -- full security, Mr. Speaker -- put in place the repayment schedules, establish the interest rate. That's how the business world works. Now, the member can rail over there all he wants, but I think for him the largest thing he's ever done in his life is

probably make it to this House. I know the people of Vegreville respect him, but unfortunately he doesn't understand much about the business world.

MR. SPEAKER: Westlock-Sturgeon.

#### **Cost of Inquiries into Principal Group Ltd.**

MR. TAYLOR: Thank you, Mr. Speaker. My question, too, is to the Provincial Treasurer. We've been hearing in the Legislature and know, of course, the terrific costs to the taxpayers for the Code investigation. So much so, in fact, that it seems to me that maybe many would think that the government would have been wiser just to pay off and 'fess up at the beginning instead of rattling out and delaying and duckweeding. What I'm after, Mr. Speaker, is: could the Provincial Treasurer give an estimate to the House, just a portion of the fees that were paid to the Code report -- how much of that went for legal fees for the legal counsel retained by the Cormie family?

MR. JOHNSTON: Again, Mr. Speaker, I'd be at some point willing to provide that kind of information, but as you can expect, some of the details of accounting for the inquiry, this full inquiry which the government has fully financed, are just not before me, but I'm sure that at some point I'd be glad to make that available.

MR. TAYLOR: Mr. Speaker, it's hard to say whether the Treasurer doesn't know or won't say. I don't know why he'd want to hide the legal costs of protecting the Cormies.

The second question then is: as we know, there is an investigation on by the provincial Ombudsman. Would the Treasurer have an estimate as to what that will cost the taxpayers of Alberta, the investigation by the Ombudsman of the Principal collapse?

MR. JOHNSTON: Again, Mr. Speaker, I can give some order of the magnitude of numbers for the Code inquiry. I think I referred to those already today: \$22 million, \$23 million or so. There were dollars in my budget, obviously, for the next year's apportionment. If the member watched carefully, he would have seen during the debates on Executive Council that in fact there was more money given to the Ombudsman to allow him to step up, to do the additional work necessary to deal with our requested review by him of the government regulatory process. So the money is in the budget. It's not secret at all. But I'm sure the member, with his experience here in the House, can find that data as easily as I can.

MR. TAYLOR: It takes a lot of experience to grub around in the feathers that the hon. member throws up and hides. Maybe I could have better luck, Mr. Speaker, asking the Premier something. This sideline says, with respect to his often-repeated statement, that the depositors will be paid if the government is at fault. I'd like to know from the Premier whether that applies to depositors outside the province of Alberta as well as those in the province of Alberta.

MR. GETTY: You have to wonder, Mr. Speaker, about the degree of conversation between the leader and the previous leader, because they have both asked the same question. I assume they have some research help. I don't know if they have enough help

to keep those two straight. I don't think the people of Alberta should pay so many dollars that might be necessary to keep those two talking.

MR. SPEAKER: The time for question period has expired. Might we have unanimous consent to allow the Minister of Agriculture to respond to a question raised July 17 by the Member for Westlock-Sturgeon?

HON. MEMBERS: Agreed.

MR. SPEAKER: Opposed? Carried. Thank you.

#### **Payment for Slaughter Cattle**

MR. ISLEY: Mr. Speaker, on Monday of this week the Member for Westlock-Sturgeon was inquiring as to whether there was any protection or insurance plan that would ensure producers got paid when livestock was delivered. I would like to share with the House for his and other members' information that all packing plants in Alberta are licensed as livestock dealers. All licensed dealers are required to provide security in the form of a bond or irrevocable letter of credit before they can be licensed. In addition, there is the Livestock Patron's Assurance Fund, which is available in case of a livestock dealer bankruptcy. The total protection from these two sources gives producers a payout on qualifying claims of 80 percent of the shortfall to a maximum of \$100,000 per claimant. Further discussions are presently taking place regarding a vendor checkoff so that we can even strengthen that protection.

MR. TAYLOR: Mr. Speaker, may I then ask the minister: in view of the fact that the coverage is up to a maximum of 80 percent, a maximum of \$100,000, and the fact that the report on Gainers' possibilities of having economic troubles could hurt or accelerate the problem by many livestock dealers not wanting to deliver, because even the loss of 20 percent on anything over \$100,000 would scare them off, would the minister, along with the Premier, consider putting in a short-term guarantee that if Gainers goes under, unlike the Principal inquiry, no innocent people will suffer?

MR. ISLEY: Mr. Speaker, I think the member's question is hypothetical to a large extent, and it may be that a lot of the adverse publicity being traded on the opposite side of the House may be making some producers nervous. But I would be prepared to say that we on this side of the House will make every effort, regardless of who a livestock producer ships to, to ensure that they get full payment.

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MR. SPEAKER: The point of order raised in question period. Edmonton-Kingsway.

MR. McEACHERN: Thank you, Mr. Speaker. I rise under *Beauchesne* 494, which says that "it is not unparliamentary temperately to criticize statements made by Members as being contrary to the facts." The Premier said that they had put in place the most powerful inquiry possible, and I would just like to point out to him that a true public inquiry would have been much more powerful. You would have had a judge in charge,



and you would have had the right to enforce remedies, which Mr. Code did not. In fact, Mr. Code's commission was only set up after they tried to do a bankruptcy proceeding under the Companies' Creditors Arrangement Act, which would have allowed no public inquiry whatsoever. This inquiry was set up under the Business Corporations Act of Alberta, sections 23 and 24, which gave very little powers to this inquiry. It did not include all the documents, as they so often claim, because Connie Osterman's papers were burned. It did not include talking to the Premier. It did not include calling Peter Lougheed. This was not a strong public inquiry.

MR. SPEAKER: The purported point of order was raised by the member at the time that the Chair admonished the member for engaging in too much discourteous catcalling, which has become too much of a practice of that hon. member in the course of the last few weeks. In terms of the issue now raised by the hon. member, the Chair does not see that it is a point of order. It's just an opinion as raised by the member.

The Chair now recognizes the Member for Edmonton-Glengarry so that we might deal with the request as delivered to my office early this morning under Standing Order 30, and after the disposition of that we would then move on to the disposition of the Standing Order 40 request as made by the Leader of the Opposition.

#### head: Request for Emergency Debate

MR. DECORE: Mr. Speaker, as you've noted quite correctly, I am rising under Standing Order 30, which calls upon the proponent to show cause why this matter is of an urgent nature, so as to have the Assembly deal with the issue of the Principal Group companies.

Mr. Speaker, the last issue we dealt with with respect to an urgent matter was, I think, the matter involving China. There was an apprehension that perhaps people would somehow be put into some difficult situations. You, sir, allowed that debate to proceed. It seems to me that this situation is not unlike the matter you ruled on. We're dealing with the likes of a political earthquake that I haven't seen or heard of in this Assembly for many, many years. We're talking about the impact that this issue, this Principal Group failure and the actions of the government relating thereto, has had on the financial foundations of our province.

I listened to the media this morning, Mr. Speaker, and a woman investor was talking about the fact that she would no longer invest in Alberta-based companies that have anything to do with financial matters. That's the kind of impression now; that's the perception that Albertans have of the financial foundations of their province. I think they believe that there isn't the proper leadership, there isn't the proper mechanism in place, the proper legislation to be able to protect them. So this has an immediate effect of closing up the opportunities for Alberta companies to get infusion of capital, get infusion of money from Alberta people. I think it's imperative for us in this Assembly to do something to allay that fear, to assure Albertans that everything that needs to be done is being done so that commerce can continue, so that Albertans can continue investing in Alberta companies, and so that Canadians can invest in Alberta companies. I think the same perception that has rocked the financial community extends all the way across Canada and perhaps abroad.

Mr. Speaker, we're dealing with 97,000 investors of an Alberta corporation. The majority of those investors come from Alberta and British Columbia, and the majority of the total investors of this company come from Alberta. We're talking about those people wanting as quickly as possible to be assured that their best interests are being looked after, and I think that for that reason there is an urgency to this matter.

Mr. Speaker, Albertans want assurance that good government is in place, that the affairs of Alberta are being looked after properly, that ministers cannot say to a Premier or cannot say to any other person, "I'm simply going to maintain legislation; that's my duty; that's my only duty," when in fact it is the duty of a minister of the Crown to look after the public good. Is there evidence -- and I think Albertans are entitled to believe that there may well be evidence -- that other situations exist, that the reporting mechanism for ministers up to the leader, to the Premier, aren't good, aren't proper? We know from the Code inquiry that the Premier was not informed as to the seriousness of this Principal Group matter for some three or four months after he became the Premier of our province. Surely when we're talking of a matter that has the impact of costing tens of millions of dollars now out of Alberta taxpayers' pockets, Albertans are entitled to be assured that this mechanism on all issues -- not only Principal Group, on all issues -- that every minister is reporting in the way he or she should be to the leader, to the Premier, so that he is properly apprised and he can provide the proper leadership.

Mr. Speaker, we need a debate. In our positions as elected representatives of a number of constituencies, we need the opportunity to set out the concerns that Albertans have. We need to be able to say to this Assembly, to the government: here is what people feel. Here is the fear that they have. Here's what maybe could be done to make things better. Here's the way we could build and restrengthen those financial foundations. We need to do that, and I would suggest, Mr. Speaker, that once we get into that debate we can see that the process that is needed is the kind of process that my learned friend from Calgary-Buffalo suggested, and that is that we get into the mode of a standing committee, a committee that allows us to ask questions. I'd like to know from the minister that was the Minister of Consumer and Corporate Affairs . . .

MR. SPEAKER: Hon. member, please. The standing order really clearly says in subsection (2), "The member may briefly state the arguments in favour of the request," and I believe that seven minutes is sufficient.

MR. DECORE: Thank you, sir.

MR. SPEAKER: The Chair now recognizes the Government House Leader.

MR. HORSMAN: Mr. Speaker, there's no question that this is a matter of great importance to Albertans. The government recognizes that and has said so during the course of question period and outside the Assembly. Let that be perfectly clear. But the motion today is really, I believe, Mr. Speaker, unnecessary in view of the fact that had we moved immediately to the next order of business, we would have had the opportunity of discussing this matter during the course of the estimates of the Provincial Treasurer, which were designated for discussion today by the Official Opposition in this Assembly.

Mr. Speaker, I just draw your attention to *Beauchesne* citation 390:

"Urgency" within this rule does not apply to the matter itself, And as I say, Mr. Speaker, there's no question that we regard this matter of great importance.

but means "urgency of debate", when the ordinary opportunities provided by the rules of the House do not permit the subject to be brought on early enough and the public interest demands that discussion take place immediately.

Well, that discussion, Mr. Speaker, could take place immediately and could have in fact been under way had this motion not been brought forward by the Liberal leader today.

MR. HAWKESWORTH: He's already said he's not going to make a statement.

MR. HORSMAN: It was the Official Opposition that designated the Provincial Treasurer's estimates for today, so the hon. Member for Calgary-Mountain View's interjection is rather puzzling in view of the fact that the Official Opposition felt that the estimates were so important, and for obvious reasons, the Code report having been identified as going to be made public yesterday, as it was. Now, therefore, it's not a question of the urgency of the matter, Mr. Speaker. The urgency of debate: what time sooner than the estimates which were about to be called and to discuss the matter immediately, where all members of the Assembly could participate in the discussion of the estimates of the minister responsible for financial institutions, the minister responsible for having taken the steps necessary to have the Code inquiry put in place?

Mr. Speaker, I'm just puzzled, quite frankly, as to why the Liberals in the Assembly decided that they want to engage instead in a debate which does, according to our Standing Orders, not entail any decision of the Assembly. I mean, really, while he referred to the other discussion which did take place, on agreement of all parties as I recall, relative to the issue in China, no opportunity would otherwise have existed on that occasion for debating that issue in this Assembly. But here we are today, and the longer I speak, the longer the leader of the Liberal Party speaks, the less opportunity there is, in fact, to come to grips with the very issue that the hon. leader of the Liberal Party wants to discuss. I find it very puzzling.

MR. MARTIN: Well, Mr. Speaker, the only way we were sure that we could ever debate this was to have it in estimates, because we can't prejudge a ruling under section 30 or section 40. The point I would make to the hon. House leader on the opposite side, though, is that the estimates don't just deal with the Principal area, and it may be that a number of members want to get up and talk about something entirely different than the Principal Group affair. If enough government members do, I expect that's precisely what they'll do, Mr. Speaker.

But the point that I want to make is to deal strictly with the urgency. I don't care if it comes under the Liberal motion, section 30, or later on under 40 that we've brought in. That's irrelevant to me. But I think there is an urgency, and I point out, Mr. Speaker, that it has been over two years since the Principal Group collapsed when the Treasurer pulled the plug on them, and as a result of that, many small investors, innocent people, were affected. There's an estimation by the group that some 1,400 people, because they're elderly, have passed away in that particular time. We've been told by this government every time

we've raised it in the Assembly, "Just wait till the Code report." Mr. Speaker, we have the Code report, and investors who have called our office want to know what's going on now. They want to know, because there's a fair amount of concern out there. They want to know if the government is going to go with their word. They can say that they'll be back in a week, and then they'll make a report saying, "Well, we're still not sure; we can discuss this for another week," and, "We have to look at all the legal implications," and go on another week. And they'll get us out of the Assembly here, Mr. Speaker, and then decide to do something that we don't think is correct.

So I think, Mr. Speaker, there is an urgent need. All the eyes of Canada are upon this Legislature today. They wouldn't be very happy by what they saw in question period with the stonewalling. So it's time that we sat down here and urgently debated a matter that is of pressing concern to not 97,000 but 67,000 investors; some have since passed away, Mr. Speaker. I suggest to you that the estimates aren't the best way to do it. I will certainly support the Liberal motion on this. If not, then we'll do our best to extend the estimates, Mr. Speaker.

MR. SPEAKER: The Chair has been much exercised by the whole matter, as indeed have all members. Under Standing Order 30 there are indeed these concerns which are brought into specific focus. Indeed, as pointed out, the Official Opposition had designated the estimates of the Treasurer for discussion this afternoon, and that has been noted by the Chair as well. While within that context there could be wide-ranging discussion, nevertheless perhaps some parameters could be drawn which might to some slight degree impede a wide-ranging discussion under Standing Order 30. The matter is indeed of great urgency, great importance, great seriousness. And the matter of the urgency of debate is one which is a call which the Chair now intends to put to the House, because the Chair does feel that under Standing Order 30(2), the request for leave is in order.

Now having said that, the Chair must indeed put the question to the House: shall the debate on the urgent matter proceed?

HON. MEMBERS: Aye.

MR. SPEAKER: Opposed, please say no. The motion carries.

#### head: **EMERGENCY DEBATE**

MR. SPEAKER: The hon. Member for Edmonton-Glengarry. But there are some proscriptions that the Chair would like to give to the House in this matter.

First off, all members will note that they are limited to 10 minutes only in the debate. Also, there are some directions to be followed with regard to *Beauchesne*, and the Chair will indeed be watching carefully in terms of the debate. So if you'd all like to jot down what the reference is so that you can refer to it and not feel out of sorts when the Chair calls you to order if you forget these proscriptions.

*Beauchesne* 391:

The Speaker is bound to apply to motions made under Standing Order 52 . . .

That's of the federal House,

. . . the established rules of debate, and to enforce the principle that subjects excluded by those rules cannot be brought forward thereon, such as a matter under adjudication by a court of law, or matters already discussed or appointed for considera-

lion during the current session, whether upon a substantive motion, upon an amendment, or upon an Order of the Day.

Section 394 reads:

(1) A general question of the maladministration of a department cannot be considered for debate under this Standing Order.

Section 395:

The conduct of a Member ought not to be the subject of a debate under this Standing Order. If a Member's conduct is to be examined, it should be done on the basis of a substantive motion, of which notice is required, drawn in terms which clearly state a charge of wrongdoing.

In addition to these rules, rules of sub judice, ministerial responsibility, and protected persons further limit the boundaries or scope of debate.

Now, hon. members will see that this presents an interesting challenge for the members and also for the Chair. The further note to be made is this: that in terms of speaking to the matter, the established forms of debate will follow. It will be one person speaking on one side of the issue, then one speaking on the other side of the issue. It will not be a rotation of the three political parties. It will be on pro and con with regard to the issue.

Hon. Member for Edmonton-Glengarry.

MR. DECORE: Thank you, Mr. Speaker. The first issue that I would like to speak to is the issue of the delay, the issue of the government, in particular the Premier, informing this Assembly that no action can be taken for one week. Now, I did read the report, and I'm glad that the Premier admitted today that he, too, read the report. This report is written in very clear language. There is nothing complicated about what happened, nothing complicated about the issues, nothing complicated about the conclusions that Mr. Code arrived at. The overwhelming conclusion is that the government was incompetent, the government was mismanaged. Two ministers are singled out for their tardiness, one for being reckless and one for being negligent -- and perhaps the other one for being negligent.

Now, Mr. Speaker, it doesn't take a week to read a report, to read the conclusions and admit to error, to admit that the test has been fulfilled insofar as the Premier established the test, and that was that if wrongdoing can be proven, we'll pay up; we'll ante up. The evidence was so overwhelming during the course of the inquiry that I suggest that the Premier should have announced in the middle of that inquiry that the government was going to pay the moneys that were required because evidence of negligence was clearly established. That doesn't say anything of the fact and about the fact that ministers of this Crown, particularly the Provincial Treasurer and the former Minister of Consumer and Corporate Affairs, had information that no other people had with respect to the issues and matters and facts dealing with the Principal Group. They could clearly see that there was need for action. They could clearly see that proactive action was needed.

My friend from Edmonton-Gold Bar indicated, Mr. Speaker, that as early as 1984 -- one of the statements written in the Code report -- one of the experts says that the licences of these two groups, these two companies, should have been pulled, that they weren't meeting the section 8 requirements under the Investment Contracts Act, that negligence was clear and overwhelming. It should have been clear and overwhelming to the government. So for the Premier to say that they need time is tragic, and I think it's offensive to suggest that members of the opposition rushed out and talked to the report. Members of the opposition read the conclusions that were so clear, clearly defining

negligence, that no other conclusion can be reached.

Mr. Speaker, the next issue that I wish to speak to is this: process. I think it's important for this Legislative Assembly to know that there aren't other obstacles in terms of lines of communication up through the executive committee, from caucus up through the executive committee to the leader, to the Premier. The Premier was not informed of the seriousness of this matter by the Provincial Treasurer until some three or four months after he became the Premier. What bigger issue could there have been? What more weighty matter could there have been for discussion than this one?

It's not funny, Mr. Provincial Treasurer. It is not a laughing matter. I see you laughing. It is not a laughing matter, sir.

MR. JOHNSTON: Your analysis is [inaudible]

MR. SPEAKER: Order please.

MR. DECORE: You may consider it to be a laughing matter, but I . . .

MR. SPEAKER: Through the Chair, hon. member. Through the Chair.

MR. DECORE: Mr. Speaker, this matter is not a laughing matter; it is a serious matter. Albertans have been badly burned because of the negligence of two people: one, great negligence; and one, I'm sorry to say -- because I think the Provincial Treasurer has done a good job in the Treasury. I think the problem now is that the confidence Albertans had in him, the confidence Canadians had in him, in holding up the financial stability of this province has been shaken. If he didn't take action like he should have taken action in Principal Group, what kind of perception do Albertans have of him dealing with the deficit? What do they think about his deficit reduction plan that already has gone out the window? Can he assure Albertans that everything is as it should be, that we're on target, that deficits won't increase like the Premier promised they wouldn't increase? He can't. The confidence that Albertans had in this fine man has been shaken. And to find it amusing, Mr. Speaker, I find so tragic. I think it has to be recorded for the record, the fact that the Provincial Treasurer is finding it funny and laughing as I speak.

Mr. Speaker, the process that we need is one to ensure that everything is working as it should work; that good government, proper government, is being given to the people of Alberta; that no minister can say at a later time, when put under oath, that she was maintaining an Act. That is not the duty of the ministers of the Crown. If this is widespread, if other ministers of the Crown feel that they need only maintain legislation that they're responsible for, then this province is in for big trouble. As the Member for Vegreville properly noted, the Pocklington matter can become yet another Principal Group issue in terms of Code inquiries and everything else. We need to be assured that there aren't these obstacles. We need to be assured that ministers are doing more than maintaining statutes that they're responsible for.

Mr. Speaker, Albertans, British Columbians, and others want to know what is going to happen. To delay only causes greater embarrassment for our province and greater embarrassment for the Provincial Treasurer. It's sad to say that, and I'm sorry to say that, but I think it does.

Mr. Speaker, one of the things that concerns me is the issue

of how securities people, regulators in other provinces, rely on the information that a securities or a regulatory agency gives within a certain province. It is, I think, a custom that if Ontario gives certain clearances, other provinces will follow suit. I'd like to know from the Provincial Treasurer and from the government whether this is the same kind of situation that exists in the Principal Group matter, thereby making it necessary for the government to pay all of the investors, those in British Columbia and Nova Scotia and everywhere else. I'm sure the Provincial Treasurer has looked at that in depth, and I'd like to hear something about that.

Mr. Speaker, the issue of parliamentary discipline is another issue of importance. It is the custom, it is the way things work, from the earliest days of Parliament in England, that when a minister is found to be in breach of his or her duty, that minister does not stay. And if that minister refuses to leave on his or her own volition, then action is needed to be taken by a Premier to get that person moved aside. I think two things have to be done here. One is that the former Minister of Consumer and Corporate Affairs, who is now a minister of the Crown, needs to be pushed aside, needs to be pushed into the back benches, and somebody who understands that maintenance isn't the rule for a minister needs to come forward. With the greatest of respect to the Provincial Treasurer, because of the shaking of that financial stability that I hoped we could have and don't have now, I think the discipline that's needed in terms of the Provincial Treasurer is that he should assume another portfolio. And that is not a laughing matter either, sir.

Well, Mr. Speaker, I am arguing, I am pleading, that the government allow this matter to go into the mode of a standing committee whereby we're able to ask questions and convince Albertans, through this process, that good government has been restored, that everything that is needed to be done has been done, that the Premier has taken all action necessary as the leader of his party and the leader of our province, the leader of the government, to get this done.

MR. SPEAKER: Thank you, hon. member. Thank you.  
The Minister of Consumer and Corporate Affairs.

MR. ANDERSON: Mr. Speaker, in rising to address the matter before us this afternoon, I feel it's necessary, though it should not be, for me to declare, as all members in this Assembly I believe would declare, that there is a concern, there is indeed an urgency with respect to those citizens in Alberta who did experience the end result of the failure that we know as the Principal Group of Companies.

Mr. Speaker, my constituents, too, want an answer to questions that have been posed today. My constituents, too, want us to be able to give assurances that this government is working in the best interests of all investors, in the best interests of all Albertans, and that we will, to the best of the ability that is available, make sure that our investment community is fair and honest.

Mr. Speaker, what my constituents want even more than that, however, is to ensure that in making those statements, in making judgments, in giving our best to the issues before us, we have considered it fairly and honestly and that we have taken into account all of the facts and are not at any point giving a spur-of-the-moment, immediate, surface, superficial or, in fact, lacking-in-depth response. This government has, regardless of what any hon. member may have said today, initiated, in terms

of this issue, investigations of depth to a degree that has not taken place, to the best of my knowledge, anywhere in this nation. And that's the way it should be, Mr. Speaker, the way it should be because this failure was indeed one that hurt many individual Albertans and that did, in fact, hurt the province of Alberta as a whole in that it was a major institution, a major failure here.

Not just Alberta faced these problems; not just Alberta has seen failures -- not just our country, in fact -- that have been part of the economic problems that plague companies. But this government has set in place a process which required that all be disclosed all through the Code inquiry, all through the Ombudsman's inquiry into this particular issue. Mr. Speaker, there were 160 witnesses before the Code inquiry, 3,700 pages of testimony; 619 pages now comprise this report. While the Member for Edmonton-Glengarry says it's a simple matter, I don't know that any Albertan taking even an initial glance at this particular document would conclude the same. In fairness, in honesty, and with due consideration, I'm sure that most Albertans would say to us that we have to respond. We have to, indeed, take a look at the findings that this government asked for and initiated, and do so considering seriously what Albertans have paid for on each of these 619 pages. My constituents, Mr. Speaker, expect nothing less of me, nothing less of the members of this Assembly. So while I agree that the issue is urgent, I also suggest to hon. members that fair Albertans -- and I believe Albertans are fair -- require this due consideration.

Mr. Speaker, I should also mention that this government has, as the Assembly well knows, been very, very active over the past few years in trying to ensure that our financial community, our financial marketplace, is one in which Albertans can have confidence, can invest, and can deal with their hopes for the future. If you take a look back to 1986, a year when I wasn't responsible for this particular portfolio, the government began by initiating a series of studies. One brought forth the Cashion report, A Blueprint for Fairness; another changed the basis for our Securities Commission and has set in place a number of initiatives over the past few years that I think should give Albertans confidence.

It's my hope, Mr. Speaker, that both this Code report and the report that we will receive from the Ombudsman will help us in further defining, further identifying areas in this fast moving, complex marketplace that will let us do the best we possibly can for the investor of Alberta. In that respect, recently we introduced and tabled in this Legislature the white paper on the Financial Consumers Act, an Act that I believe goes further than any piece of legislation or proposed piece of legislation that I'm aware of in this nation to do just that: to look at terminology that is given by financial planners and institutions to individual investors, to look at the areas of qualification required by financial advisers and planners and the disclosure that would be required, the need for a financial document. These are all issues that most people concerned with our financial community, I believe, want us to deal with today. This government has taken the initiative, has taken the most forward thinking, I believe, approach with respect to this, and in that regard my predecessor in this portfolio, the current hon. Minister of Labour, needs considerable congratulation because a lot of the base for this work was carried out at that point in time.

Mr. Speaker, again with respect to the Code inquiry, the Code report, it's a report which I appreciate having as the current Minister of Consumer and Corporate Affairs, one that my

department is now working constantly to review, to match with the initiatives we've taken, and to try and ascertain what more we could do in the best interests of financial consumers. But today in this debate I say to all of my hon. colleagues and to Albertans that we must be diligent. We must be as quick as is possible, but we must also give proper and correct consideration to that which the public of Alberta has paid for and to that which this government has initiated with strength.

With those remarks, Mr. Speaker, I will let the debate rage with regard to this issue. As all Albertans, I hope to be very much involved in trying to ensure that we limit the possibilities in the future of failures of this kind as much as that is at all possible on the part of a government of a province in our country.

MR. MARTIN: Mr. Speaker, the government may try to make this Code report complicated. They say: "Gee, we're going to have to study it for a week. It's so complicated we have to look at all the implications." But any average Albertan knows when you use terms like "neglectful, misguided . . . reckless" in dealing with the government, when they say that the people who were supposed to be monitoring the situation failed completely, when they talk about what was happening in terms of the Principal Group and use the terms "fraudulent" and "dishonest" -- frankly, Mr. Speaker, it doesn't take a genius to figure out what they're saying about the government. And for the government to say they have to study it, I'll give them a dictionary. We'll send a dictionary over with those words, and I'm sure the Treasurer can understand rather quickly what they're saying about the government. Mr. Speaker, that's a reality.

The point I was trying to make is that a lot of innocent people were hurt and hurt badly -- some of them have passed away -- because of the, again using the terms of the Code report, "neglectful, misguided or even reckless" behaviour of the former Minister of Consumer and Corporate Affairs. It indicates that she breached "her public duty." What could be clearer than that?

That's what I don't understand, Mr. Speaker. The point we want to make -- and it's a serious one, because this government is going to keep running into these problems -- is that this was a damning indictment of this government's relationship with the corporate sector, this naive faith that the so-called entrepreneurs will somehow get us out of the mess they put us in if we ignore what's going on. If we bend the rules, if we bend the laws, if we break the regulations, somehow these people are so brilliant that they'll pull us out. A hope and a prayer, I think it was put, in terms of what was going on.

Now, let's go back in the history of this. There was one Mr. Darwish back, I believe, in 1973 who was saying that they were not following the rules, Mr. Speaker. It wasn't just from the time that we're talking about, 1984. This cozy relationship, this unholy alliance that this government gets itself into with its corporate friends leads us to all sorts of problems. Just recently, the situation with Mr. Pocklington has some of the same problems, where the taxpayers also could be caught for a lot of extra money there because of this naive faith in their friends being able to pull us out.

Now, what I'm saying to you, Mr. Speaker, is that this government should have been prepared -- they knew full well what was coming in the Code report; anybody knew full well what was coming in the Code report -- that day or at the latest tomorrow to tell us what they were going to do. The Treasurer says, "Oh well, just a few more days." But then they could come

back in a few more days and say they've looked at it, try to make their case, and: "We're still not sure what we're going to do about the investors." This process, Mr. Speaker, could go on forever. It's been known for the government, when they don't want to answer questions, they have all sorts of ways to evade the issue. So this government should have done what was right and been prepared to deal with the Code report today. I for one find it irresponsible, frankly, that we're going to have to wait longer.

I want to make it clear that I think that Minister of Consumer and Corporate Affairs has to go, Mr. Speaker. I can't imagine any words that sum up a minister's portfolio in a more damning way than that, but I want to make it clear: under ministerial accountability. That's a reality, Mr. Speaker. We don't believe in that any more; I don't know what we believe in. As I said to the Premier today: how much harm can a minister do to unsuspecting Albertans and not call for their resignation? Well, I'm going to go on the assumption that they are going to call for that resignation.

But I also want to say that not one of us here in this Assembly, at least on this side of this Assembly, believes that a junior minister was sitting there making these major decisions by herself. Let's be clear that this government, including the previous Premier and this Premier and the Treasurer and the previous ministers and the previous Consumer and Corporate Affairs ministers, knew full well what the Cormies were doing in this province. Now, they may have a scapegoat over there with the Consumer and Corporate Affairs minister, Mr. Speaker, but Albertans are well aware that it's this government's accountability, totally, as a government that's caused this problem. And I'm frankly going to be angry, when we have the debt that we have, that we're going to have to pay out a lot of extra money because of this government's negligence and because of, as I said, this unholy alliance with the corporate sector. We're going to have to do that, Mr. Speaker, but I don't see them learning anything from this. That's the sad part about it.

Mr. Speaker, to sum up and say that what has happened has been cruel, very cruel. Being down at the Kerby Centre in Calgary, we were talking to those people, many of them who had been small investors, elderly people. They actually had to set up counseling services for people that were contemplating committing suicide because it had been such a blow to them. All their lives they had saved that little nest egg. You think that's funny, do you? It's true, over there. And the reality was that that's what they were into. Older people that had saved and scrimped and done all the things they were told trusted this government, thought there were rules and regulations that were played by -- only to be dashed away. That's why there is an urgency, Mr. Speaker, through you to the Treasurer, to get that money back quickly. Two years now is too long. I hope that you're going to do it. I'm still going to be angry that it's going to cost the taxpayers the money, because it shouldn't, but I don't think we have any choice in that matter.

As a result, Mr. Speaker, I want to give some constructive proposals, if I may, to the Treasurer about what I think should be done. I think that immediately, rather than drag it out -- and it could end up costing us more legal costs -- we should provide compensation to the FIC/AIC contract holders that purchased their investments in Alberta in good faith. At the same time, we do have some responsibility with other Canadians that invested in this group; however, I think that other provincial governments also have some responsibility here because of their own

regulatory agencies. As I recall, Mr. Speaker, the Ontario government would not allow them to do business there, so obviously there weren't many Ontario people that got burned. So I think negotiations should begin with those provincial governments to see what they're prepared to do for their own people. I think there's an obligation on their part.

I also believe -- and I know they're in a different situation; it's a difficult one about the PGL noteholders. Now, Mr. Speaker, I understand they're in a different situation, a higher risk situation, than the FIC/AIC people, but again they're expecting that there are certain rules that this company is playing by. They can't know all the ins and outs of it, and I would suggest that we begin negotiations with them immediately to see what can be worked out.

I think it's clear -- and I hope from the discussions we had with the Attorney General that this is occurring -- that we should immediately have a legal pursuit of all the remaining assets of the Cormie family. I don't care if they're in the Bahamas or Phoenix or wherever. We should attempt to get that money back so it would lessen the cost for the Alberta taxpayers who had nothing to do with this. I'm not a lawyer, but I would hope, again flowing from the Attorney General's department, that we commence an immediate assessment of criminal charges based on the findings of this report. Now, I take it that's being done. We will look for that, Mr. Speaker.

I also say again, and it may seem cruel to the members opposite, that the former Minister of Consumer and Corporate has to go if this government is going to have any credibility at all.

Mr. Speaker, beyond that we want to know from the Treasurer, who finally had to pull the plug -- he recognized that in June; there's no doubt about it. I think the Treasurer may say that there are reasons why they waited a year. In hindsight, I suppose, we're always right. But I think the evidence now indicates that that was a bad mistake, because more investors got caught in that. But I also want to know from the Treasurer at some point, because although the Treasurer's a very important person in that government -- what did the Premiers do before? That was a major mistake of the Code inquiry, because there are sacrificial lambs in here. Why didn't these two Premiers -- why weren't they called? What did they know? And we all know they knew more than they said, Mr. Speaker.

MR. SPEAKER: Member for Drumheller.

MR. SCHUMACHER: Thank you, Mr. Speaker.

This matter of the Principal Group has been causing governments of this province difficulties for the last 22, 23 years. In fact, it was a concern of the former Manning government, the former Strom government, and the former Lougheed government. To hear the opposition and the leader of the Liberal Party speak, you'd think all the storm clouds came up in 1986 and that there were no problems before that period of time.

I would suggest that this is the government that took some action, and it should be receiving some credit for the action that it took. As a result of the action it took, a very conclusive and far-ranging and thorough study of this whole situation has now been put before some members of this Assembly. I myself have not received a copy of the Code report. I personally would like to have some input in the reaction of this government to the Code report, and I don't think it is proper at all that the government should be making some response today or tomorrow or the next day. I think what the Premier has said, that there will be a

short time taken for the consideration of the report, is perfectly in order. And I think going off the way the leader of the Liberal Party and the leader of the New Democratic Party are suggesting would just compound what is already an unfortunate situation for many people. The Premier of this province at the present time is not a one-man band. I think all Albertans recognize that, and they appreciate it, that he doesn't make a snap decision and do something. He wants to consult with a lot of people who can make what I believe is a positive contribution to the solution of this problem.

The Leader of the Opposition has said today, as a matter of fact, just a few minutes ago, that the province should now start negotiations with other provinces as to what's going to happen to the people who have lost money in those provinces. Now, he can't have it both ways.

MR. McEACHERN: You should have done it a year ago.

MR. SCHUMACHER: I've heard enough from you, hon. Member for Edmonton-Kingsway. When you have the floor, you can have what you . . .

MR. SPEAKER: Order please. Thank you, Member for Drumheller. While I concur with your comment, it's up the Chair to give the direction.

Again on 13(4)(b), Edmonton-Kingsway.

MR. SCHUMACHER: Thank you, Mr. Speaker. But the fact remains that we've had the suggestion that there are other parties and organizations and groups involved that are entirely separate and apart from this government and this province. Why would you want to, say, do something today at 4:20 or 3:20 or 2:33, when it's recognized by those people that there are larger issues involved? You know, we've heard the reference to the people who have passed away and those people at the Kerby Centre who have lost everything. Well, Mr. Speaker, in Associated Investors and First Investors there isn't a single investor in those organizations who has lost everything. Not one. They've all received a certain percentage on their original investment at practically -- well, I will say at no cost to them. There have been other companies fail in this province over the last 10, 20, 30, 40, 50, 60 -- the entire history of the province. In most of those cases, where they end up in a liquidation situation, they have very large and significant fees to pay. In this case there have been absolutely no fees paid by those people. The government of this province has also advanced money to buy the assets to speed up the liquidation, to get the money into their hands. You'd think that nothing had happened since June 30, 1967, by what we hear from the other side.

But there has been significant progress in the solution of this problem, and it will continue to be done if we follow a proper, orderly method of approaching it. What the Premier has suggested is certainly not any sandbagging or improper delay. I just can't understand why the people opposite figure there should be just an instant solution to what this 600-and-some page document clearly demonstrates to be a very complex problem initiated by some very crafty people.

I will agree with the Leader of the Opposition that strenuous steps should be taken to deprive the Cormie family of everything they've got. I don't care if it costs the government or the people of this province \$2 for every dollar that's recovered, because I do not want it ever said: "Oh, the rich can get away with

these things, and they don't lose anything. It's just the little people." That will not be a satisfactory solution.

But I would suggest to the members of the House that we try to keep this thing in perspective. There has been large progress made towards the liquidation. There have been distributions. The government has ensured that there hasn't been a high overhead cost for those people. Let all members of the House know what we're dealing with, at least, before calling upon the government to produce some instantaneous, magical solution to this.

Thank you, Mr. Speaker.

MR. SPEAKER: Calgary-Mountain View.

MR. HAWKESWORTH: Thank you, Mr. Speaker.

The eyes of the nation are on this Legislature today. The reputation of this government as sound economic managers and managers of financial institutions now lies in tatters. Because of its actions and the negligence of its ministers, people were hurt all over Canada -- not just in this province but all over Canada. The repercussions of that decision, of the failure of FIC and AIC and the Principal empire, have hurt a lot of people and have repercussions everywhere in this country.

This country is looking today to this Legislature to take some actions. Now that we have some explanation from Mr. Code as to the reasons for the failure of FIC and AIC, they're now looking to this government to know what sort of restitution they're prepared to make. They want to know what steps this government is prepared to take to clean up the mess that's been created by the failure of those companies. They want to know what action this government is going to take to repair the damage that has been done. They don't want to see a paralyzed, a dithering, indecisive government wishing to ignore or to delay confronting this report and its findings. They want to see a government of action. They want to see a government that can tell the people of this province and this country that they finally learned what the words "justice and fairness" mean, that they finally learned how to act, that finally, after many years, they're going to take the steps that are needed to be taken to achieve some justice and fairness for the people who were hurt in the collapse of these companies.

This government has known, or should have known, for at least two years what the true situation was that led up to the collapse of those companies. They certainly have known since at least this past fall, nearly a year ago, what the public evidence showed about the collapse of the Cormie empire. They've had at least nine months, as a minimum -- and probably longer than that, Mr. Speaker -- to prepare for this very day, for the day following the release of the Code report. They've had plenty of time to develop contingency plans, to deal with the findings that they had to have expected to come out of Mr. Code's report, so that today, off the mark, they could be prepared to respond and to fulfill their public duty to the people of Alberta and the people of Canada. That's what was expected of this government today.

You know, Mr. Speaker, they had the foresight many months ago to prepare for a snap election call last February. It was widely known at the time and widely speculated amongst the public that the reason for that was to avoid having a Code report in front of them just prior to having to go to an election in front of the people of Alberta. They had the foresight, Mr. Speaker, to make at least the plans and put them in place to have that kind of an action: a snap election last February. So today when the

Premier stands up and the Provincial Treasurer stands up and says, "Oh, we weren't ready for this report; we want some time to consider it further," no one understands that answer. They don't understand why this government wasn't positioned and ready to respond to the recommendations and the findings in the Code report. Their silence, Mr. Speaker, is deafening.

Throughout this Code report it's a litany of delays by this government, inaction by this government in the face of injustice, in the face of what appears to be, on the evidence, deceit, dishonesty, and illegal dealings. Now, one would have thought that today, Mr. Speaker, finally they would have used this opportunity to break that pattern, that pattern that has marked their inaction and lack of response through a period of over 10 years. I am very disappointed that they found they were unable to break that pattern today. So there they sit, Mr. Speaker, mute, deaf, and blind, in the belief that if you hear nothing, see nothing, say nothing then maybe problems will fix themselves up and miraculously disappear. Mr. Speaker, can't they learn?

This whole report indicates that from the 1970s these companies were experiencing serious problems. In fact, there was even a time in the course of these problems that a former minister of this government actually stepped forward and tried to bring in amendments to the laws of this province to fix up this problem. But a letter from Mr. Cormie to the Premier of the day, and miraculously, or purely by coincidence, those amendments did not proceed.

The report also indicates that these companies in the early 1980s were, for all intents and purposes, insolvent. Yet this government took no action, made no response, with the small exception that the minister of the day sought the early retirement of the one civil servant who went directly to her to try and warn her of the problems that were being experienced by those companies. In fact, in the evidence cited by Mr. Code, he said that the minister of the day, in testifying, had the hope that by some miracle the economy of the province would pick up, that as a result of that these companies would somehow fix themselves, no action would be required, and everything would go on nicely without having needed the intervention of her or her government or her department. Well, Mr. Speaker, Mr. Code's conclusion of that belief was that it was "naive," "misguided." He said the evidence tends to show that it was conduct that indicated a "breach of her public duty," that it was "reckless," negligent. I couldn't think that anybody in this Assembly could have harsher words said about their conduct, with the exception of perhaps having found that they acted dishonestly or fraudulently. In the case of Mr. Code, he concludes the evidence did not conclude that.

And now 1987, Mr. Speaker. The Provincial Treasurer lifted the licences of these two companies. After the collapse of those two companies, what did the Premier do? His picture was splashed on the front pages of the newspapers of this province playing golf, leading many Albertans to conclude that he didn't particularly care about what had happened to their money in the collapse of these two companies. It was delay, wait, fail to take action in the hope that somehow this problem might solve itself. Now today, Mr. Speaker . . . [interjection]

MR. SPEAKER: Point of order, Red Deer-North.

MR. DAY: Mr. Speaker, I appreciate at the beginning of this discussion your drawing to our attention a number of items from *Beauchesne*, one being 395, which says:

The conduct of a Member ought not to be the subject of debate under this Standing Order.

Clearly we should be sticking to Beauchesne 390, which talks about the urgency of debate.

MR. McEACHERN: On the point of order. The member did say "giving the appearance of."

MR. SPEAKER: The Chair is just a bit concerned about references to golf games. I'm sure plenty of people were playing golf at the same time. Could we get back to the real issue of the Code inquiry?

MR. HAWKESWORTH: Mr. Speaker, all I'm saying today is that this is all part of a pattern that has been followed by this government in the dealing with and response to this issue. So today when they tell us and the public of Alberta and the people of Canada, "Let's wait some time longer; let's delay any further statements; let's take a look at this and wait," all I'm saying to you, Mr. Speaker, is that this is not the response the public wanted of a government that cared or is willing to take action on this issue. All they see it as is dithering, further avoidance, and abdication of leadership and action.

Mr. Speaker, I still don't understand how it was that when this Premier came first into office as the leader of the government, it took him 14 months to hear from the Provincial Treasurer about the problems at . . .

MR. SPEAKER: Thank you, hon. member.

MR. SHRAKE: Mr. Speaker, this morning I admired the NDP. I thought they had used their wisdom. They had designated the Treasury department, the Treasurer, to come forth. The Code inquiry is out. It's in the public. There haven't been copies given to all members, but at least today this body in here would move into Committee of Supply. This is basically Committee of the Whole. All members here, then, would be able to ask all the questions they feel necessary to get answers. They would be able to ask questions not once; if need be, in Committee of Supply you can ask questions once, you can debate. And under the Standing Orders, and I've photocopied them here, if we went ahead with that -- with the NDP, I thought they had done this well -- then we would actually be able to debate Principal Trust, Associated Investors Corporation, First Investors, and the handling of it. They could have asked a lot of questions. We could have got a lot of information. They could rise and debate and ask questions -- not once, not speak for 10 minutes, which is what you're limited to here, but they could get up and really go after this. But I guess the Liberals, in trying to upstage the NDP, brought forward the motion we got here in front of us, a motion for urgent debate on the Code inquiry.

We are not following the Standing Orders, really. If we do, all we can speak on is the urgency of it. Can't get into the meat of it. We're doing it anyway, so that's good. I'm going to get into it then also.

I really thought the NDP had matured, and I was so pleased that they were going to handle this in a good manner, but we didn't seem to do that. Again, they let me down. [interjection] Mr. Speaker, my cow died over a week ago. I don't need any bull from the Member for Edmonton-Kingsway.

But in a hurry to get cheap headlines and get in on it, we've gone into this emergency debate, urgent debate, rather than go-

ing into the estimates, and sitting as Committee of the Whole. So let's go on and discuss this thing . . . [interjections]

MR. SPEAKER: Order please. Some members have commented about other members smiling or laughing in debate, and I really think that's a bit inappropriate, given the seriousness of this matter. The Chamber has decided it's an urgent debate issue. It's of serious consequence, so let's just stop all that for the rest of the afternoon.

Calgary-Millican, please.

MR. SHRAKE: This is an important matter, a very important matter, and I really hoped we could do proper debate on this and get into this. But this is a historical thing now. The Code inquiry has been in the making for almost a couple of years. The outcome of it is pretty well resolved. Under this motion in front of us we can't vote to make a decision. Read your Standing Orders. We can't even make a decision on anything here. All we can do is talk, and talk does nothing to put any money back in the pockets of the people who lost money.

I had the very sad occasion about two years ago of getting a phone call from a lady who lives in Murdoch Manor. She had read in the papers of what happened, so she phoned me, and I drove down to Murdoch Manor. I went into this room, a small suite. This lady's husband is bedridden. I imagine in a few short years she and her husband will be in a nursing home. They had sold their house; they had \$57,000. The \$57,000 had been in Principal Trust and, thanks to some good salesman, they had switched from Principal Trust to First Investors, which was not covered by the federal Deposit Insurance Corporation. They were scared they had lost it. She cried. As an MLA there was nothing I could do. I wondered, what do we do? So I waited. I thought, we'll wait.

They talked about having an inquiry. I've been through inquiries before, a judicial inquiry in the city of Calgary. It took a year, we spent half a million dollars, and not one soul got a penny back. Of course, I remember Abacus. Five million dollars of taxpayers' money went in. Nobody got any of their money back.

For this debate today, a proper debate on this, one where every member here has a copy of the Code inquiry -- and I'm not a speed-reader. I cannot read that overnight. If I could have got a copy, if I'd known where to go to get a copy -- because I did ask and no one seemed to know where I could get a copy. To have this before us today and debate it today without having had this Code inquiry and read all 600 pages and done some homework -- we're debating today, and I'm not the only one. I'm looking on these desks. I've been looking here for the last hour. People are debating and I don't see a copy of the Code inquiry on their desks. Do you have one, sir? I don't. You're lucky. I don't see some back here. I see a lot of desks without them, and I don't have one on my desk, which to me was the important thing. I did want to go through this. Because what can we do? We can try to correct the rules so that this never happens again, and I think we've done some of that.

Then let's come down to the bottom line here today and try to determine: does this government have a debt? Our Premier made a promise that we would help the depositors if we were at fault. And a promise made is a debt unpaid. It's the code of the west. It's something that I think we will try to live by. But the quick, easy answers I've heard through the debate so far today have been nothing but political baffle-gab. I've heard nothing



that will put one penny back in the pocket of the little couple that live at Murdoch Manor. All I've heard today is . . . The Americans have an expression; they used to call them "hosers." They come from an old German word called "hosenscheißer," and I've heard some hosenscheißer today.

To give away money to the depositors -- and I'm talking about the depositors, not the noteholders; the ones who deposited their money thinking they were safe due to the wording. I have a copy of that form that they got from First Investors. We've got to make the decision: do we give the taxpayers' money out to these people? Is it fair? How do I know? I don't know. I can't know. I'm standing up here like a fool debating when I haven't got a copy of the Code report in front of me. And I couldn't get one. I tried. Honestly I did. We had Pioneer Trust go down. Teachers' co-op went under. We didn't give them the money back. What will they say if we give the money back to the people from Principal Trust? Yet if we're at fault, I guess it's something we have to seriously consider, something we should do. But urgency is what all this debate is about today. I can't ask a question of the Provincial Treasurer standing on my feet here, because we're under this urgent debate. You messed the system up, sir. You messed it up today. It would have been fairer to all members if we would have made sure we had a copy and then we bring this into debate.

But going into the history of this thing that has taken place so far, at the very early stages of this the Premier tried to warn the public, the people who had money in First Investors. The Provincial Treasurer tried to warn them, "If you go into the inquiry, you're in for a long haul." Because they knew the opposition and the public and the media demanded there must be this inquiry. We knew it would cost millions of dollars and these millions of dollars would go into lawyers' and accountants' fees and not a penny of it would go into the pockets of the people who suffered the losses. It's not like turning the tap on. When you put it into the hands of the judge, when you send that inquiry in, you can't turn it off like you turn off water. And if it took a year or two years, we cannot go in and turn the thing off. Unfortunately, it hamstrung our government as well. We did have some problems with our credit unions in this province. Without a great deal of fanfare, we realized there was a big problem there. We went in, set up SC properties, took a lot of the bad properties off these credit unions and put them into the hands of SC. Those of you who are new here and don't understand your Credit Union Stabilization Corporation -- they took these properties and they rode with them. Then as prices stabilized and came back, they've been disposing of them. Our credit unions did not go under. But when we were into this Code inquiry, there was nothing we could do then.

So I think I will wrap up on the one thing . . .

MR. SPEAKER: Thank you, hon. member.  
Calgary-Buffalo.

MR. CHUMIR: Thank you, Mr. Speaker. The government is clearly bound to reimburse the Alberta contract holders in First Investors and Associated Investors quickly and without delay. The Code report is a very clear indictment of the conduct of the government, which knew for years of the insolvency of these companies yet continued to license these companies to take the life savings of Albertans. These problems were in fact known as far back as the 1970s. In 1983 and 1984 auditors and other

civil servants in the Department of Consumer and Corporate Affairs became aware of the worsening financial situation of Associated Investors and First Investors and in fact brought this to the attention of the then Minister of Consumer and Corporate Affairs. They tried to take some action to instigate appraisals to stop the sales of investment contracts, to protect investors, as was their duty. Indeed, a memo was written to the Minister of Consumer and Corporate Affairs in 1984 by Mr. Jim Darwish of her department in order to alert the minister to what he considered to be a very serious situation. She not only refused to read the memorandum but, as Mr. Code says on page 418 of his report, forced Mr. Darwish out of the department "into early retirement."

The net result, as Mr. Code states on page 418 of his report, is that the "administration and enforcement" of the Investment Contracts Act and regulation of First Investors and Associated Investors "were suspended." And he concludes in a very key statement on page 418 that Mrs. Osterman

was prepared to allow the public to continue to invest in FIC and AIC when she had no idea whether the companies would be able to honour maturing obligations, because of what she perceived to be a greater public good. In the end, it was the investors who bore the risks of her decision and her policy and her hope that economic conditions would improve.

Now, I have a similar concern with respect to the delay by the Provincial Treasurer in taking action when he and members of his department had the 1985 audit report from the Department of Consumer and Corporate Affairs and also had qualified financial statements from outside auditors in May of 1986.

Now, of course these weren't easy decisions. Nobody says it's easy to make a decision under those circumstances. The government, of course, wanted to keep the companies going. But the reality and the key point, as Mr. Code points out, was that it was not the members of the government who had their money at risk; it was the investors. They had a duty and a responsibility, under the legislation in issue, to the investors who bore the risk of the decisions the government was making. The government was acting as trustees at that point in time. And this is where the obligation to reimburse arises and why it's so clear and so important.

It's one thing for the government to take a chance on contravening regulations, keeping companies alive, and saying, "If we're wrong, we'll back up those who rely on us; we will indemnify them." But it's another thing, Mr. Speaker, and indeed unethical in my view, to take the view: "We're going to solve our problems of keeping the companies alive. We're going to neglect our duty. And when things go wrong, we're then going to let seniors and other investors who have relied on our actions lose their life savings." They're going to let them take the fall. That's what's happened. That's what's so offensive in this instance. When the government pulled the licences of First Investors and Associated Investors in mid-1987, they didn't say, "We're going to help you; we recognize some obligation." What they said to the investors was: "Tough luck. You are unsophisticated. It's your fault, and there's no need for an inquiry." Remember that? "No need for Mr. Code's inquiry. We did everything right. Don't bother."

So I put this situation in terms of the ethics of the situation, Mr. Speaker. The Provincial Treasurer in mid-1987 had by that time become familiar with the full background and the way the investors had been misled in this situation. The former Minister of Consumer and Corporate Affairs -- remember, from Three

Hills, of course -- knew those circumstances intimately for some period of time. What they should have done in mid-1987 was championed the cause of the investors, the need and the obligation to reimburse them, instead of stonewalling and arguing results which would have led to unfairness and injustice.

Now, the government has had two years to look at this matter. Indeed, as I've just stated, I think it's clear they should have announced at the end of June 1987 that they were going to accept responsibility and stand by their obligations to investors. Here we are two years later. We've got this report and we still hear that we need more time. Yes, there may be details. But for crying out loud, why not fess up and say what you should have said two years ago: "We were responsible. We goofed for years. We made a mistake, and we're going to stand by that mistake instead of trying to leave the burden on the shoulders of these poor investors who have gone through so much strain and stress."

It's clear then, Mr. Speaker, that the Alberta investors have to be reimbursed. Insofar as the non-Alberta investors are concerned, it is my view that these investors had regulators in their own provinces. They relied on these regulators. I think our position should be that it's up to those regulators to make the case with respect to the responsibility of this province. It may be that there is a case that can be made. I think it has to be done on a case-by-case basis.

We also have the issue of the noteholders, again a very difficult and extremely complex issue. That matter is before the Ombudsman. The Ombudsman is reviewing matters thoroughly in a matter that we're unable to get into. I think it's incumbent on the Premier and the government to extend to them the very same type of undertaking that ultimately was forced upon them with respect to AIC and FIC. That is to say that we will reimburse the noteholders if Mr. Trawick, the Ombudsman, finds we were responsible or negligent in that case. That is fair and that is responsible. I agree with all those comments which have been stated to the effect that it is important to ensure that this province use all its efforts to get after the Cormies with the full force of the law in the event that criminal sanctions are considered to be appropriate and certainly with respect to any property.

I would like to make a few comments about the role of the Premier in this issue, because I find that the fact of his continued ignorance on this matter in the face of a clear crisis in the financial industry speaks extremely poorly for him, his colleagues, and his advisers. We find Mr. Getty taking office in November of 1985 with calamitous circumstances facing the financial industry in not just this but other areas, and we find him stating: I was not briefed on this matter. I was not provided with any information. How can this happen if we're having good government? Is that good government? Then we find that with no briefing, with no advice with respect to what's going on in February of 1986, the Premier appoints the now minister of transportation to be the Minister of Consumer and Corporate Affairs. That minister says, "Well, I didn't know what was going on. I'm not an administrator." He is given the responsibility, while he knows nothing of taking charge of this department, for four months while Albertans are continuing to invest and put their life savings in these companies. In the meantime, was there anybody in the government among his colleagues who would go and say: "Well, hold on Mr. Premier. You're making an error, because we know of all these problems. You haven't been aware of them, but you should be aware because we had better get somebody who's really going to look after it." No,

sir.

Then finally in June we find a transfer of the department to the Provincial Treasurer. The Premier says there was no reason; just from my own experience in life and being on the board of the Royal Bank once, I thought this was a great thing to do. No paper trail. Mr. Code talks about the absence of the paper trail. This is great government. This is tremendous government. Finally we hear, if this is accurate, that the Premier does not find out about this until February of 1987.

MR. JOHNSTON: Mr. Speaker, there is no doubt that this is one of the more difficult and gravest of situations which has faced the province of Alberta and to some extent this government since it was in place in 1971. Certainly more recently, since our Premier came to take charge of this government in 1985, this has been one of the significant issues in a general sense that has faced our government. Financial institutions have been in difficulty, characterized primarily by the economy of this province. Now, let me say that what this province has seen has been one of the deepest recessions in 1986. We all know about that. What this province is now doing is recovering strongly. I've made enough statements about that, but let me go on to say, though, that what we now see is an opportunity for the strength of this government to be put forward.

What other people say here is that we have ignored the problem, that we take this as a light matter, that we are not serious about our responsibilities. Mr. Speaker, nothing can be further from the truth. We know for sure that we have done an outstanding job for the contract holders so far. My colleague the Minister of Consumer and Corporate Affairs has outlined in some detail what it is we have done. Moreover, we have funded this process to the extent of about 20-some million dollars, hired some of the best experts in the world to provide this information to us, and passed responsibility through the court system to Mr. Code to make this very voluminous report to us, which landed on our desks sometime around 4 o'clock yesterday afternoon.

Now, what we find in this report, first of all -- because I will not be debating the elements of this report. But what I will be outlining very firmly at the very outset is in fact one important element.

MR. McEACHERN: Point of order.

MR. SPEAKER: Point of order, Provincial Treasurer. Let's hear it out.

Edmonton-Kingsway.

MR. McEACHERN: I was under the impression that we were debating today the motion by the leader of the Liberal Party. It says:

I hereby give notice pursuant to S.O. 30 that after the daily routine today, Wednesday, July 19, 1989, I will request leave to move to adjourn the ordinary business of the Assembly to discuss the Code Report which was released yesterday.

The member has just said he is not going to discuss the report. I suggest that he step aside, then, and let the rest of us discuss the report.

MR. SPEAKER: Thank you, hon. member. The Chair waits to see what the comments will indeed be. [interjections] One can't prejudice what's to be said. I do not have the gift of foresight, like you may have, Edmonton-Centre.

MR. JOHNSTON: I'm sure, Mr. Speaker, that the vexatious interjection by the member will not limit my time.

Mr. Speaker, what I was going to say is that the government will provide a very thorough response to the Code report. But what has happened, though, in the last few minutes here in terms of some of the speakers is the reference to the term "negligence." I want to make it very clear that those people who use that negligence characteristic of the government obviously have not read the report, because Mr. Code very clearly speaks to that issue at 419. So let's be very clear what this report is about to do. It's to discuss whether or not anyone in the government is honest or dishonest or acted fraudulently or not fraudulently. That has been dealt with in a very comprehensive way in this report.

More importantly, Mr. Speaker, under the federal jurisdiction under which this report was characterized, we provided the widest possible opportunity for everyone to have input into this discussion. Now, if we wanted to move under the Public Inquiries Act, we could have limited the way in which the inquiry was to take place by defining in the order in council how in fact we wanted the procedure to unfold. We did not do that. In fact, because of the thoroughness of this report, because of the wide-ranging issues which are touched on, recommended, and dealt with in this report, including those financial transactions which I'm sure not many people really understand, it is only reasonable that we take at least some sensible period of time to come to a conclusion. That is all we're saying here at this point, Mr. Speaker.

Now, I know it's politically opportune for those members across the way to point fingers, to get red in the face, to make those kinds of jabs at the government. I suppose if I were in the opposition, I might even take some opportunity to do that myself. But more responsible action is required of a government, Mr. Speaker, more responsible government. That's why we're going to move in a very responsible fashion, weighing all the elements, giving as much caring as possible to those noteholders, taking our obligations seriously.

Now, Mr. Speaker, even the Member for Edmonton-Norwood understands the complexity of this. Contrary to the Member for Edmonton-Glengarry, the Member for Edmonton-Norwood in fact has said, "You know, there are some things here that just might be a little difficult to unravel." He put his finger on at least two of them. One, how do you deal with the PGL noteholders? Well, if you've had a chance to read the report here, not a whole lot is said about the PGL noteholders.

Two, several speakers have flagged this question of what do we do in terms of our responsibility. How do you see our responsibility in terms of the other provinces? This is much more serious than simply saying do it and not do it. The Liberal Party can't make up its own mind in any event. They're on three sides of the issue, as you might expect. But at least the members from the socialist party for once have flagged it and said, "You know, that's a big issue." It's not a simple issue which on the surface may only say, "Well, don't do it." It does have intergovernmental implications for the province.

Certainly any responsible government, any responsible Albertan, would understand that it's incumbent upon us to think this through thoroughly to come to a reasonable set of recommendations for the noteholders, for the people of Alberta, and for all members of the Assembly. We intend to do just that, Mr. Speaker. So let's not get caught up in this urgent need to come to some conclusion.

We all regret the time delay, of course, going back to 1987. We all regret that we had to put ourselves and the noteholders and everyone through this process. It has not been easy for anybody. But I don't think the urgency, Mr. Speaker, is going to change much between, say, today when everybody's demanding some response from us to, say, next week when in fact we're committed to responding. That's the way this government operates, a very solid approach to the process: ensuring all the information is on the table -- we have done that with respect to the Code -- protection wherever possible to ensure that fairness and equity is provided to the noteholders, and coming to a reasonable conclusion. Now, Mr. Speaker, since our term in government that is the characteristic of this government. We are the ones who proceed on a judicious basis. We are not those who would take the shotgun approach, who would cast their minds quickly in some direction, come to some poor, frivolous notion as to how to solve this problem. To the contrary, to the contrary. We, in fact, will come to a reasonable position. We will deal with the issues in this Code report, and we will provide the widest possible, comprehensive summary as to how we're going to do just that.

To otherwise argue is as fallacious an argument as I can see. To show the kind of contempt for the process that some have, Mr. Speaker, is to show contempt for the noteholders themselves. To show the kind of frivolous attitude that is prevalent here this afternoon is the worst kind of democracy I can think about. Unfortunately, that has been the theme we've seen here so far, pointing fingers, trying to embarrass the government when in fact they know full well that we're on course. We have a steady set of resolutions which will come forward next week, and we are the ones who will show the way.

So what we see, Mr. Speaker, I think is well understood by Albertans. I made the statement in this House last Monday when I said it is reasonable to ask for a while to consider this very comprehensive report, which has taken about two years to put together. We will respond. We will respond in good time in a comprehensive way with the sense of sympathy, with the sense of empathy, with the sense of justice which is common to this government.

MR. SPEAKER: The Member for Edmonton-Whitemud.

MR. WICKMAN: Thank you, Mr. Speaker. There is a dark cloud that hangs over this Assembly. The eyes of Alberta are watching what is happening here today, and that dark cloud I refer to is going to hang on for a long, long time. That dark cloud is there because of the failure of this government to take appropriate and immediate action. When I speak in terms of the eyes of Alberta being on this Assembly, it's not only those that have been directly affected by what's stated in the Code inquiry, in the inspector's report, but those other Albertans who will be watching as to how this government conducts itself. They're looking for action and they're looking for appropriate action.

Mr. Speaker, when I look at appropriate action, I have to look at a number of instances, a number of situations. First of all, if we refer to the inspector's report . . . For the benefit of the Member for Calgary-Millican, I do have the report in front of me. It is marked up; it has been thoroughly reviewed. The report is very, very condemning of the minister from Three Hills. There are references made to "breach of her public duty," "negligence or misconduct in the carrying out of a public duty," "neglectful, misguided . . . reckless." Mr. Speaker, I recall

watching portions of the Code inquiry, and I can recall that member making the statement, "Life's a gamble." Yes, certainly life is a gamble, and I guess in this particular instance the dice went the wrong way. That member, in my opinion, has to do some soul-searching, and I would hope that soul-searching has been done during the last few hours. I would hope that that member would do the honourable thing, and the honourable thing would be to resign on a voluntary basis from the cabinet. When those types of statements are made against any member of the cabinet, it is the only honourable thing to do.

I can also look at the Member for Lethbridge-East, the Provincial Treasurer. Unfortunately, that person is referred to in the Code inquiry, and that person as well has to do some soul-searching. That person, in fact, has to do a great deal of soul-searching. There are possibilities, Mr. Speaker, that the Premier may take some action; we don't know. I guess only time will tell now. I would certainly hope that that action is sufficient that it recognizes the compensation those people are entitled to who have been directly affected by this government's failure to carry on its regulatory process.

So, Mr. Speaker, I can see three immediate things that the government should have been prepared to respond to. One is the question of the resignation of the minister from Three Hills; secondly, the soul-searching, the impact on the Provincial Treasurer; and thirdly, the essential responsibility to respond to those affected directly and to make a commitment that compensation would be coming and compensation would be coming immediately. But because of the process this government has followed, there are questions now in the minds of the public and questions will linger. Questions will linger for a long time. The public will wonder. They will be asking: why was this government not prepared to respond? Why is it that members from this particular caucus have had the opportunity to read the report, to analyze it, are prepared to respond? Albertans will not be satisfied with the explanation given.

Albertans will be asking: what does a minister have to do? How far does a minister have to go before appropriate action is taken to ensure that that minister is not retained in the position where they can do further damage to Albertans? Albertans will be asking: what is the total cost of this whole process in terms of the compensation that will eventually have to be awarded? What is the cost of the Code inquiry? What is the cost of the Ombudsman inquiry and the other related costs? Those Albertans, Mr. Speaker, who are not affected directly in the form of being eligible for compensation will be asking: why do we as taxpayers have to foot the bill because of the government's failure to properly regulate its own regulatory process?

[Mr. Jonson in the Chair]

Other provinces will be questioning their own faith or their ability to have confidence in this particular government when it comes to relying on its regulatory powers. Mr. Speaker, the public will be questioning. What is the perception of a special relationship that this government seems to have with powerful and wealthy people like the Cormies and Peter Pocklington? I would think that all eyes of this province will be on this government, and they will be looking to see what type of action is going to be taken. They will be looking to see if this government is prepared to demonstrate decency, if this government is prepared to commit its responsibility in view of the findings of the Code inquiry.

I would conclude, Mr. Speaker, on the note of saying that people within Alberta are going to be asking for that appropriate action and that appropriate action to be taken immediately. I would go one step further and would suggest that the people of Alberta will be expecting this government to humble itself and to apologize to the taxpayers, to apologize to those people who have been affected by this process, apologize because of its failure to conduct its own regulatory process in an efficient manner that is of the benefit that it should be to Albertans.

On that note, Mr. Speaker, I'll conclude.

MR. LUND: Mr. Speaker, I'd like to add a few comments. Many things have been said today about the urgency of this debate. I certainly agree that it is a very important matter, it's a very serious matter, and it affects many Albertans. But I think maybe there's one word we haven't had enough said about, and that is fairness. Our Premier has said that all the investors will be treated fairly. I think there is absolutely nothing wrong; as a matter of fact, I think it's extremely prudent that we take some time so we can properly assess this very comprehensive and lengthy document and make a decision that is fair.

With that, I will close my comments.

[Mr. Speaker in the Chair]

MR. SPEAKER: Edmonton-Kingsway.

MR. McEACHERN: Thank you, Mr. Speaker. The Code inquiry was a very excellent inquiry in a limited sort of way. It was certainly much bigger than anything ever intended by the government, as I pointed out earlier. The reason, of course, was that White and Wittmann were very competent lawyers, and Code did a good job of conducting the affairs. Berger, the judge of course, made some very sound rulings that allowed them to increase the scope of what was originally intended. But the inquiry did stop short of calling the Premier of the province and the former Premier of the province, Mr. Lougheed. I just wanted to point out what was the story behind the present Premier's nonappearance before the committee.

I have here with me the documents submitted to the Code inquiry showing that on November 18 the Premier was handed a set of papers. It says here: "From Lou Hyndman, Provincial Treasurer, to Honourable Premier Getty and Members of Priorities Committee," with a cc to Hon. Connie Osterman, dated November 18, 1985, and stamped "confidential." Now, this document was received by the Premier, as I said, on November 18, a short time after he became Premier of the province, and it contained a two-page covering article, which I have here, outlining that there were problems with financial institutions in Alberta and naming some of those. It did, however, fail to name FIC and AIC on those two covering pages. However, it was attached to several pages, only some of which I have, some outlining the problems of North West Trust and Heritage trust -- at least, so I understand -- and some outlining the credit union problems, but also a section, which I do have, outlining the problems of FIC and AIC in some detail.

Now, the Premier's sworn statement says that he did not read anything beyond the first two pages. So one can only believe that. But what I do find most extraordinary -- and here I'll go to the actual document that he filed with Code, and unless you think it's not really a binding sort of document, I'll just read you the last paragraph. It says:

And I make this solemn declaration conscientiously believing the same to be true, and knowing it is of the same force and effect as if made under oath, and by virtue of the Alberta Evidence Act.

Declared at the City of Edmonton, in the Province of Alberta, this 6 day of November, A.D. 1988.

And the Hon. Don Getty has signed it, as has Walter S. McKall, notary public.

This document has about eight sections to it, and I won't bother reading all of them. It only really requires number 8 to show the shoddy, if I may say so, evidence he was allowed to get away with to say that he didn't know what was going on with FIC and AIC. The other ones are really irrelevant to this point, so I'm not leaving anything out that's pertinent to the point I want to make.

MR. SPEAKER: And this is evidence that I could find here in this document, hon. member?

MR. McEACHERN: Pardon?

MR. SPEAKER: Is this evidence I could find in this document?

MR. McEACHERN: I don't know. It should certainly have been taken into account by the Code inquiry, because it was filed with the Code inquiry.

MR. SPEAKER: Carry on, but let's listen carefully, because I'm not about . . .

MR. McEACHERN: Well, to carry on, I'll read directly from the statement.

Point 8 says:

Upon assuming the leadership of the Government I had no knowledge of any financial difficulties in the Principal Group of Companies including First Investors Corporation Ltd. and Associated Investors of Canada Ltd. It was in approximately February 1987 that I was informed by the Honourable Mr. Dick Johnston, Provincial Treasurer, that some government action might be necessary with respect to Principal -- First Investors Corporation Ltd. and Associated Investors of Canada Ltd. and subsequently in May 1987 I was advised by the Honourable Mr. Dick Johnston that there was a substantial shortfall in First Investors Corporation Ltd. and Associated Investors of Canada Ltd. and that in Mr. Johnston's opinion Government action [might] have to be taken.

You see, what that statement does is shift from saying when he learned about the difficulties to when he learned something might have to be done about the difficulties. There isn't a 10-year-old in Alberta that couldn't see through that, Mr. Speaker.

So I say to Mr. White and Mr. Wittmann: you let the Premier off the hook far too easily. Had he come before the inquiry, he would have had to answer the question: what happened in the intervening 14 months between November 18, when you got that document, and February, when you were told that something had to be done about the problems? So the Premier has put forward a document to the committee which is only a sort of half-truth. It didn't really lie, but it sort of explains something without explaining it or appears to explain something without explaining it. On what date did he finally read the original document telling him what was wrong with FIC and AIC? Everybody else in the country knew.

And I cannot believe that the Treasurer, who was dealing with this matter, could possibly have not told his Premier. Now,

if I were Premier and I had a Treasurer that didn't tell me what was going on in something of this magnitude that could lead to this mess we are now in with this company, I would have fired him long ago. Either the Premier should own up that he knew sooner or he should fire his Treasurer. I mean, this is just an incredible piece of work between these two gentlemen. It is not possible. No thinking person can believe that the Treasurer did not tell the Premier exactly what was going on with those companies long before February of 1987. If he didn't, if he didn't try, then he was negligent. If he tried and the Premier didn't want to hear -- see no evil, hear no evil, there are none so blind as those who will not see, and all that sort of thing, like the former Consumer and Corporate Affairs minister, who would not listen to Darwish but chose to turn on him instead of paying attention to what he had to say. The Premier either would not see and would not listen -- in which case he is negligent in his duties and should resign and should just admit that he doesn't want to do the job of running this province; either that or he should fire his Treasurer. No other conclusion can be drawn from the evidence of the paper that the Code inquiry accepted as the final word of the Premier on this issue.

Now, there was another area in which the Code inquiry came up short, and that was in that they believed, or seemed to believe anyway, the former Minister of Consumer and Corporate Affairs when she said that the buck stops with her. I mean, there is nobody in the province of Alberta and nobody in the country of Canada who knows the former Premier of this province who believes that he didn't know exactly what was going on. He was the man in charge. He was always the man in charge. He always knew what was happening. He always gave the orders. People always marched to his tune, or they were out. We know that's exactly the way this province was run for all those years. So for the former Minister of Consumer and Corporate Affairs to sit before the Code inquiry and insist that the buck stopped with her -- the least she could do is have the courtesy to resign, but really that's almost irrelevant.

Really, it's the members above her, and there are two of them actually. The Hon. Lou Hyndman, the former Treasurer of the province, was the chairman of the task force of a committee that was set up by Premier Lougheed to look into financial institutions' problems. He was also before the committee for a short time but maintained that he knew nothing, I mean, didn't know anything about FIC and AIC. He and the Treasurer spent all their time worrying about North West Trust. Well I wish they had spent a little time worrying about North West Trust and Heritage trust. Rightly they should have, and they should have done something much sooner than what they did do. That mess was just as bad or worse than the Principal mess, but because there were more intergovernment connections between North West Trust and the government, they decided to cover that one up. So they bailed it out and did turn on Principal. The Code inquiry, as I said, then came up short and did not call Premier Lougheed to find out what he knew or didn't know about the Principal affair.

So I would make those comments and then just switch briefly, before my time is up, to refuting a couple of the points made by the Treasurer in his brief statement to this Assembly at this time. He tried to maintain that the main reason for the failure of a dozen financial institutions in this province was the economy. Well, partly. But certainly in almost every case, if you think of Abacus, Dial, Tower, Fidelity, Battleford, there was also an incredible amount . . .

MR. SPEAKER: Thank you, hon. member.  
Red Deer-North.

MR. DAY: Thank you, Mr. Speaker. I wanted to make a number of comments. It's very instructive for us to look at the history of where the Code report came from and why we have it before us today. It was ordered by our Premier. Our government did not follow the advice of the opposition, who suggested about two years ago that all assets be liquidated. The investors would have realized little or no return whatsoever. Rather, we took a more prudent approach. Our suggestion was: "Hey, why don't we purchase the assets and see a more equitable distribution. Why don't we order a report," rather than a supposed quick fix that would have caused the investors to suffer even more than they have already. It was our Premier who asked the Ombudsman to also look into this. It was our Premier who canceled the cabinet oath of confidentiality among those on Executive Council so that when they would be called possibly to testify for the Code inquiry, they would have to tell everything they knew. It was the Premier who did that. It was the Premier, it was this government, that covered the investors' legal costs. It is this government and this Premier who have acknowledged being willing to be open in terms of responsibility, and it was this Premier and this government that said we'll cover the costs of the Code report, which have amounted to over \$20 million.

The ink on that report is barely dry, Mr. Speaker, yet we are faced with a flurry of frenzy, barely hours after the report is released, that we're to be drawing final conclusions from it. That is an insult to the people who put this report together, and it is also an insult to the investors, who are already responding positively about the process of the Code inquiry and the report. Yet, for reasons which we will leave up to the public to guess, the opposition has this flurry of frenzy in saying right away, hours after the report is released, that final conclusions should be drawn. I would prefer to show deference to members of this government and to members of the opposition who have not yet had the opportunity to read the report. That was exhibited by the Member for Edmonton-Kingsway just moments ago, when he stood and said he didn't even know if the Premier's testimony was in the report. Yet he's asking for conclusions and suggesting he has answers. I would like to show deference to my colleagues in the opposition and give them the opportunity, as well as all government members, to thoroughly review the report.

Now, the tragic irony of what we are doing today is this, Mr. Speaker. The members of the NDP opposition had the astuteness and the foresight to designate for today the Treasury estimates, knowing that all members in this House would have up to 30 minutes, should they so choose, to ask questions, at length and very specifically, of the Treasurer. They were astute enough to know that the report would probably be down today and all members would have great liberty to address the report. But out of fear of being upstaged, we have the Liberal opposition bringing forward this motion on urgency, and what has happened? We're limited to 10 minutes for discussion, not 30 minutes. We had the estimates before us. [interjections]

MR. SPEAKER: Order.

MR. DAY: We all were looking forward to discussing these estimates and asking questions about this report. Now, the day after this report is released!, when the people of Alberta would have had an opportunity to hear extensive questioning in this House by our Treasurer and to our Treasurer, we have lost that opportunity. We have lost it because of reasons which I'll leave up to others to suggest in this move by the opposition.

I would suggest, Mr. Speaker, that the Code report, which is before us, deserves consideration. The investors who have lost money deserve consideration. The people I have talked to since the report came out yesterday have no problem with this government taking, as we said we would, as we promised we would -- it was one of our members, if you recall, in this Assembly who asked the question: how long would it be until conclusions were drawn by this government? It was one of our members who asked that question. We are going to take the time to consider this report and to consider the best course of action for all. We have seen, in the requisitioning of the report and now in the time that's going to be taken to consider it, a display of concern, a display of compassion, a display of a government who wants to see the best done for all the people involved and wants to see an opportunity for all. Already we've heard some suggestions, at least from the ND Party, about how the report should be handled. We're open to those. We didn't hear them from the Liberal Party; they were too busy on the political opportunism side. But this is the process, and already we've heard some comments and good comments, and I might even say excellent comments, from our own members.

So, Mr. Speaker, as we close the debate today, let it be remembered that it was this government, that it was the Premier, our Premier, who requisitioned this report, who took certain steps that ensure today -- when we look at already what the investors have realized in terms of return on their dollar, already they have realized far in excess of anything they would have come to had we followed in a panic the suggestions of the opposition over a year ago, some two years ago. The real estate has turned around. The economy has turned around. Because we have had the foresight to purchase those assets and return a significant portion to those investors, we see today what prudent planning has accomplished. We see what care has accomplished and what compassion has accomplished.

I might add that with the extensiveness that has gone into this report, we will not, as two years ago we would not, be stampeded into making secondary decisions and third-class decisions. The citizens of this province deserve the best decisions. They deserve the best contemplation. That is what we are giving them over the course of this week and also giving to government members and to members of the opposition, the many who haven't yet read the report: the opportunity to look it over, to also contemplate and to be a part, should they so desire, of the process that comes with conclusions which are significant, conclusions which are long lasting, conclusions so that the investors in this province will be able to sit back and say this government took the time necessary, this government made the best choices.

MR. SPEAKER: Thank you, hon. member.

[At 5:30 p.m. the House adjourned to Thursday at 2:30 p.m.]