

Legislative Assembly of Alberta

Title: **Tuesday, March 14, 1995**

8:00 p.m.

Date: 95/03/14

head: **Committee of Supply**

[Mr. Tannas in the Chair]

THE CHAIRMAN: Hon. members, we're in Committee of Supply, and just a reminder that we're going to continue with the custom of having only one member standing and talking at a time.

head: **Main Estimates 1995-96**

Federal and Intergovernmental Affairs

THE CHAIRMAN: We would invite the Minister of Federal and Intergovernmental Affairs to begin this evening's deliberations by making his comments on the estimates before we consider the comments and amendments of other members. [some applause]

AN HON. MEMBER: Question.

MR. ROSTAD: Agreed.

Mr. Chairman, I know that the applause was to try and keep it short, so we will. I would like to make some opening comments, though, on the first estimates as Minister of Federal and Intergovernmental Affairs. I was going to ad lib some comments, but as the Member for Redwater said this afternoon: that's like a person at a nudist colony who gets carried away. I would therefore read some opening remarks.

Federal and Intergovernmental Affairs is the smallest department in the government, with the total budget for the '95-96 year of \$6.1 million and a staff of 77. The original department business plan when we first started our business plans had a target for the '96-97 year of \$5.7 million and 70 FTEs, which would be an overall budget reduction of 21 percent, but with the addition of a minister's office this year late in the budget cycle we changed the original target for this year. However, we're considering this a transition year, and with continued restructuring, downsizing, streamlining, and some efficiencies I'm pleased to say that we will in fact still meet that original target for '96-97.

I'd also note that the department has during the current budget year reallocated staff to undertake additional responsibilities given to the department since the original three-year budget targets were set. These additional responsibilities include the negotiation and implementation of the internal trade agreement and the Russian federalism project. There were no staff or budget increases for the department as it undertook these major new responsibilities. Instead priorities were set, approaches were streamlined, and there was a reallocation of resources within the department.

Although the smallest department, FIGA is by no means the least important, certainly in my opinion. Given the fundamental changes sweeping our country and our world, we need to articulate clearly Alberta's interest in the economy, federal/provincial relations, and trade. More than ever we need to advance the interests of Albertans in the province's relations with other governments in Canada and in the international community. This is in fact the department's mission as set out in its business plan.

Mr. Chairman, I'll take a few minutes to outline some of the major challenges on the department's agenda, because their outcome will affect the well-being of Albertans in years to come. We're entering a period of unparalleled change in the history of Canada.

Chairman's Ruling Decorum

THE CHAIRMAN: Hon. members, there were a number of lively conversations going on at distance, and they're drowning out the hon. Minister of Federal and Intergovernmental Affairs. I wonder, minister of transportation, if we could have your attention. We're wanting to hear the Minister of Federal and Intergovernmental Affairs discuss his estimates.

Debate Continued

MR. ROSTAD: Thank you, Mr. Chairman, for the temporary lull.

We're entering a period of unparalleled change in the history of Canada, and the forces contributing to change include the combined effect of government deficits and debt, the increased competitiveness through globalization, and the strains on national unity. Over the next two to four years there will have to be clarification of federal and provincial responsibilities.

In the short term this means eliminating overlap and duplication and the negotiation of administrative agreements. In the longer term we will work with our fellow provinces and the federal government towards a distribution of legislative and administrative powers and a restructuring of programs and services that is fair, feasible, and fiscally responsible to all Canadians. Also, there's a need for restructuring of the economic arrangements of federalism, including transfer payments and taxation arrangements.

Change is taking place at a time when Parliament has never been so fractured on a regional basis. Combined with this are the economic and emotional effects at the prospect of a referendum in Quebec. More than ever there's a need to stand up for Alberta, to protect our interests, and to advance our views. The issues are all interrelated. They require co-ordinated strategies and responses. If Alberta is to achieve its goals to create and promote the Alberta advantage, we have to be able to influence the changes. The Department of Federal and Intergovernmental Affairs has a responsibility to co-ordinate the development of Alberta strategies and to advance our interests.

All governments are being forced to deal with the reality of fiscal restraint. One of our challenges is to develop a more effective and more efficient federal system of government. Alberta has led the way in putting and keeping the issue of overlap and duplication on the national agenda. FIGA is co-ordinating Alberta's efforts to improve the efficiency of the federation through the elimination of overlap and duplication of federal and provincial activities. Where appropriate, we are also examining opportunities to rearrange federal/provincial roles and responsibilities to better reflect the realities of the '90s. While my department is co-ordinating this activity, it will involve virtually every Alberta government department and agency. In fact, it needs to be driven by the minister of each of those departments.

Following are some of the accomplishments already achieved through this efficiency of the federation initiative. The Canada/Alberta agreement for environmental assessment co-operation is an example. Canada and Alberta will ensure that projects are evaluated according to the requirements of their respective authorities while avoiding the duplication and delay that can arise from separate environmental assessments. Another example is the Canada Business Service Centre. Canada and Alberta are pursuing ways to improve access to federal and provincial business services through such means as a jointly funded, toll-free business inquiry line and joint business and counseling services.

Another is the agricultural financial services. The federal and provincial governments launched a pilot project to combine the services of the Farm Credit Corporation and Alberta's Agriculture Financial Services Corporation. The agencies will jointly operate six branch offices offering one-stop delivery of federal and provincial farm financial services in Alberta. In fact, the aim is to have the Farm Credit Corporation activities delivered by the Alberta Ag Financial Services Corporation.

In addition, the governments of Canada and Alberta are co-operating, streamlining, and harmonizing in such areas as developing a common database for oil and gas reserves in Alberta, activity in social housing, environmental management, fisheries, wildlife conservation and protection, food inspection, excise, GST, and customs, and the underground economy and smuggling.

On the social side, further federal cutbacks and the movement toward federal block funding will result this year in a series of further federal/provincial negotiations in areas such as health, education, and reform of social security systems. FIGA'S role is to ensure that Alberta's objectives and strategy are consistent and co-ordinated throughout this negotiation process to help ensure that we get a fair deal for Alberta.

In addition to dealing with these important domestic issues, Alberta must at the same time meet the challenges and international pressures presented by globalization and international competitiveness. We are working on a number of fronts.

As an example FIGA has the lead role in Alberta in achieving increased competitiveness through the reduction of interprovincial trade barriers. The internal trade agreement was reached in 1994 and will come into effect in July 1995. Much remains to be done to implement the internal trade agreement. The department will be overseeing the implementation of the agreement within our own government as well as monitoring compliance by other governments and representing Alberta in the management of disputes arising from the agreement. In addition, FIGA will be negotiating the extension of the agreement to cover municipal governments, academic institutions, schools, and hospitals, and finalizing the chapter concerning the movement of energy resources and products.

8:10

FIGA will be co-ordinating Alberta's involvement in a variety of international negotiations and in the domestic implementation of trade and investment agreements. We will be working with Environmental Protection and Labour to bring Alberta into the NAFTA side agreements on environment and labour co-operation, thereby taking on a management role along with the federal government for Canada's participation in these international agreements. This will enhance Alberta's status as a leader in environmental protection and labour and provide significant opportunities for Alberta's environmental industries in Mexico.

We'll be working with the federal government to provide Alberta's contribution to the further negotiations under NAFTA concerning the development of the new subsidies and antidumping rules as well as NAFTA negotiations on the accession of Chile.

Under the newly established World Trade Organization we will be dealing with the further negotiations under way on telecommunication services, financial services, and environmental and labour issues related to trade. All are areas of provincial interest or responsibility.

When disagreements arise, we will defend Alberta's interest in trade disputes, such as our sugar access problem with the United States. We will attempt to avoid costly legal disputes by improving dialogue, such as in the softwood lumber consultations which

began last week in Washington. Our strategies include ensuring Alberta's free trade objectives are reflected in Canada's position in international trade negotiations as well as managing trade disputes to minimize their adverse impact on Alberta exports.

FIGA has a role in Alberta's ongoing efforts to expand its international role. The department, for example, assisted in the planning and co-ordination of Premier Klein's trip to China last fall as part of the very successful Team Canada mission. We'll be working on more such trade and investment missions in the future, including the Premier's upcoming visit to the Middle East and to the United States.

The process of globalization and Alberta's growing reputation for its internationally competitive business climate are resulting in an increased number of foreign visitors to Alberta both in terms of government and private-sector representatives. Alberta Protocol, which was transferred to the department in 1993, plays a key role in receiving and organizing international visits. Protocol is an important function to ensure that visits to Alberta by senior decision-makers are focused to support and advance Alberta's economic objectives. Protocol has adopted a more proactive approach to putting into practice the reverse marketplace concept so that we will view international visits strategically as an opportunity to showcase Alberta's economic strengths and opportunities. Protocol is also reviewing streamlined hosting functions to achieve greater cost efficiencies.

THE CHAIRMAN: Hon. members, we would like to hear the hon. Minister of Federal and Intergovernmental Affairs.

MR. ROSTAD: In 1994 Federal and Intergovernmental Affairs was selected by the government of Canada to organize the Russia/Canada collaborative federalism project. This two-year project involves overseeing the development and presentation of a number of seminars in different regions of Russia. Each seminar is targeted at Russia's decision-makers and focuses on a feature of Canadian government and economics; for example, energy, fiscal federalism, environmental issues. Besides being a net revenue generator to private-sector consultants in Alberta – the two-year contract is worth \$2.7 million – the project raises the profile of Alberta in Russia and over the long term could open doors for Alberta businesses wishing to investigate that market.

Another example in the international arena, where FIGA is doing groundbreaking work, is in the area of state/province relations. As a landlocked province it is to Alberta's advantage to play a leadership role in the larger regional economy. Through our transboundary connections we are able to work together to enhance economic growth by developing the north-south trade and transportation corridors.

Alberta and Montana have been working together in this area for a number of years. We're doing innovative work on the movement and access of goods to market for Alberta companies. The first project was the establishment of a joint use vehicle inspection station at Coutts. With the success of that project, Alberta and Montana are now developing a master plan for the co-ordination of border facilities and the use of intelligent transportation systems – that is, the electronic tracking of trucks – for a more efficient flow of traffic. Under the co-ordination of FIGA, Alberta is working on expanding co-operation in the transportation sector through the development of a north-south trade and transportation corridor. A pilot project is now in the works which would harmonize trucking regulations from Alberta to Mexico.

It means that truckers would need only a single permit to operate up and down the continent.

Transportation is just one of the sectors being worked on by the five states and two provinces which belong to the Pacific Northwest Economic Region. Again under the co-ordination of FIGA the states and provinces are looking at the harmonization of regulations and sharing of best practices. They're also working on initiatives to market the region internationally. I know that members from both sides of the House are familiar with the good work being done by this group, as its membership is bipartisan. Another noteworthy feature of PNWER is the value that legislators place on having the private sector lead the way in setting priorities. They've changed the governing structure to allow for a true public/private partnership necessary for success.

This summer Alberta's twin province of Hokkaido, Japan, will commemorate 15 years of twinning with Alberta by participating as the feature country during the Klondike Days Exposition. The Hokkaido government is spending over \$500,000 in Alberta on this endeavour. Moreover, up to 300 Hokkaido tourists will visit Alberta for the anniversary and generate a further \$500,000 in tourism revenue. For our part Premier Klein will lead Alberta's return mission to Hokkaido, accompanied by a delegation of Albertans representing business, twinned towns, and grassroot relations. The Premier's program will focus on opportunities in Hokkaido's housing and construction market. The recent earthquake in Kobe has made home design and construction a priority in Japan, and Alberta's pilot housing project in Osaka, which withstood the earthquake very well, has heightened Japanese interest in Canadian wood frame housing techniques and materials.

Mr. Chairman, another important component of our intergovernmental relations operations is the Ottawa office. The office functions as a listening post for the government of Alberta, keeping us informed of the development of policies, programs, and legislation of particular importance to Albertans. In addition, the office conveys Alberta's priorities and key interests to decision-makers in the capital and offers an additional line of communication between provincial and federal representatives. The current executive director of the office is fluently bilingual and has been assigned a special role by the Premier as a liaison to Quebec. He's uniquely positioned to provide a direct point of contact for the government of Alberta on matters relating to Quebec. During these next few years with the PQ government in Quebec City, which has as its stated aim the breakup of this country, it's more important than ever that we have the capacity to be well informed about Quebec's initiatives.

Mr. Chairman, I'll now conclude and look forward to the questions and comments from members as they relate to FIGA. In the event I'm not able to answer all of the questions verbally, either because I don't know the answer or it requires more information or in fact time does not allow, I undertake to ensure that they're all answered thoroughly and in writing. With that, thank you.

THE CHAIRMAN: Before we continue debate on the estimates, would the committee give unanimous consent to revert to Introduction of Guests?

HON. MEMBERS: Agreed.

THE CHAIRMAN: Opposed? Carried.

The hon. Member for Cypress-Medicine Hat.

head: Introduction of Guests

8:20

DR. L. TAYLOR: Thank you, Mr. Chairman. I'm pleased to be able to introduce to you and through you a young lady sitting in the gallery. She came particularly tonight to see how hard her father would be working.

AN HON. MEMBER: You're not her father obviously.

DR. L. TAYLOR: No, I'm not. I'm afraid she may be just a little disappointed. Her father is a good Conservative from southern Alberta. I'm pleased to introduce Teresa Hierath. I'll have her stand. Thank you. If you pay particular attention, you'll see that she gets her looks from her mother. Thank you very much.

THE CHAIRMAN: Thank you, hon. member.

head: Main Estimates 1995-96

Federal and Intergovernmental Affairs (continued)

THE CHAIRMAN: In continuance, then, I'll call upon Edmonton-Glengarry.

MR. DECORE: Mr. Chairman, the hon. member didn't make that last comment. We all knew that.

Mr. Chairman, I want to start by congratulating the minister that spoke to his own estimates on the job that he did as the Justice Minister, the Attorney General of our province. I said in a speech not long ago about estimates that Albertans have been lucky in having a judicial system, judges, and police officers that have served our province well. I said that I couldn't remember one incident where there was an incidence of fraud or some taint that existed on our Attorney General's department or on our police department, and I think that's in measure due to the leadership of people like the minister. So I congratulate him for his job in that previous ministry. That was the good news, Mr. Minister, now the bad news.

I want to start, Mr. Minister, by saying that anybody who comes to this Assembly with six lines of what your budget is, albeit it's \$6.1 million, I think does a disservice to this Assembly.

I just want to thank the hon. member for the comment that he wrote about my jacket. Thank you. Thank you for saying it's so beautiful and thank you for noting your signature hereon.

I think the onus is on a minister to come to this Assembly, particularly when he has served Albertans well in his previous portfolio, by showing us what he's doing instead of just six lines of here's the money we want: \$6.1 million. I plead with you, Mr. Minister, that the next time you come forward . . .

THE CHAIRMAN: The hon. Minister of Transportation and Utilities rising on a point of order.

Point of Order Relevance

DR. WEST: *Beauchesne* 423, relevancy. I've been listening now for three to four minutes, and there hasn't been anything relevant at all to these estimates. It's been on some other portfolio. It's been on his jacket. I'd like it reined in a little bit.

MR. DECORE: So just go back there in never-never land and doze off, Mr. Minister, and read *Hansard* tomorrow. You'll be more focused. So please, my plea is . . .

THE CHAIRMAN: Order, hon. member. I'll rule on the point of order. Very often, hon. minister, when people begin their comments, whether it be in estimates or in speeches, they tend to move to a wide variety. In this case the hon. Member for Edmonton-Glengarry was complimenting the minister on his past service in other departments, then got sidetracked by a note from someone else. He made reference to it and then commenced. Although at first blush it doesn't appear relevant, in fact it's relevant to the situation this evening.

MR. DECORE: I think you just have to be more blunt with that hon. member and just tell him to keep quiet.

Debate Continued

MR. DECORE: Mr. Minister, my second point is this: five lines in a budget I don't think is good enough.

Now, let's look at your department, Mr. Minister. We're dealing with a department that has 77 individuals. Seventy-seven. We're dealing with a department that has one deputy minister, one executive director in your Ottawa office, four assistant deputy ministers, and 23 middle managers. The minister stood in the Assembly not too many days ago and said that it was necessary to have assistant deputy ministers have a moniker, a name, that would allow them to work with people from Japan and China. I accept that. I think that's a good argument. But I have some difficulty when the four assistant deputy ministers earn an average salary of \$96,947.

Chairman's Ruling Decorum

THE CHAIRMAN: Hon. members, we've asked for co-operation on a number of occasions. I guess the Chair will just have to start naming members and ask them to leave the Chamber. There just is far too much laughing and talking over considerable distances. If you want to confide quietly with one another, you're welcome to do so. But when we here at the Table cannot hear the speaker, who is only a few feet away from us, because of the noise – junior high school students at recess sometimes have quieter moments.

Debate Continued

MR. DECORE: Mr. Minister, I just want to repeat that point: four assistant deputy ministers that you say simply have a moniker earning about \$97,000 each. That's a pretty big price to pay for a moniker. You've got a deputy minister making I think the highest sum or almost the highest sum when compared to other deputy ministers across the board. You have 23 other managers earning an average salary of \$70,601. That's a lot of money, and I think you owe an explanation on the huge management level that you have. It would also be noted that the administrative staffers have an average salary of \$32,425, and when you compare that to other departments, that appears to be higher than the average of departments for support staff and certainly higher for these 23 or 24 managers.

Now, I looked at the business plan, refreshed my memory on the business plan of your department because I wanted to convince myself that this minister that served Albertans so well really is needed in this portfolio of Federal and Intergovernmental Affairs. I'm having a difficult time justifying your existence, Mr. Minister, and I think the onus is on you to tell Albertans why we need to spend \$370,000 on a ministerial office when this was handled before, and I think adequately and properly, out of the Premier's

office, particularly when we note that Ontario, which has of course a much larger population than ours, has staff of only 60 people and British Columbia has staff of only 16 people. It's noted that both Ontario and British Columbia run their intergovernmental affairs offices out of the Premier's office. So convince us that you really need to be there.

DR. WEST: We deal with other governments.

MR. DECORE: Well, you deal with other ministers across the country as well, Mr. Minister. I think that when we're talking about overlap and the need for too much government, there's a minister who shouldn't open his mouth, because he's one of those that preaches that there shouldn't be overlap and there shouldn't be duplication and this clearly is a ministry that is overlap and duplication. I'd like the minister to address that.

I look at the business plan of FIGA. Let me just make some observations on the business plan. It says:

- Undertake negotiations to remove internal trade barriers within Canada, and coordinate implementation.
- Pursue Alberta's objectives in international trade negotiations.
- Coordinate Alberta's participation in strategic international relationships . . .
- Plan and coordinate Premier's international missions and programs for official visitors to Alberta to advance the province's economic interests.

Now, Mr. Minister, when I look at the business objectives in the ministry of economic development, quite frankly they're almost the same as the ones that are recited by you in your business plan. Economic development says its mission, its business plan, is that "the department's mandate is to work with the private sector in strengthening Alberta's competitiveness in the world marketplace." It says that task force committees will be set up to work at inter-provincial trade and external trade. It goes on to talk about the trade development and export sales strategy. The department in its business plan says, "To achieve this target, we must aggressively market Alberta's products and services to the global marketplace." They talk about NAFTA. They talk about new export initiatives, "marketing Alberta's image outside the province." They talk about intergovernmental co-operation. They talk about "incoming missions and reverse marketplaces." They talk about international trade presence, the Alberta Economic Development Authority. Now, there's another animal that comes up that has the same sort of mission and mandate and objective. The Alberta Economic Development Authority is "developing the plan for the ministerial foreign trade missions, including specific target markets."

8:30

Well, if we're spending 20 million bucks on a minister of economic development and all kinds of presence in those areas, why do we need you to do the same thing that the business plan of economic development talks about and touts? Convince us, Mr. Minister, that your presence is needed in that regard.

Mr. Chairman, I'd like the minister to undertake to give us a breakdown of exactly what the initiatives are in this department. I mean specific initiatives. It's been so general that when I look at those general statements and compare them to economic development, I keep saying to myself: why are you there? Why is there a deputy minister there? Why are there 20-some managers who appear to be managing themselves rather than getting some work done on the issues that need to be done? I need and I think Albertans need some proof that there's something going on there, and I don't think it's good enough just to say, "Oh, we're

looking at NAFTA, and we're thinking about this, and we're doing . . ." That's what economic development does, and I'm sure we've got a few monikers over there in economic development that we're paying for as well.

One other comment that I wanted to make; that's with respect to performance measurements. Mr. Minister, these are almost laughable. Coming from a minister who has such a tremendous background in this province, I think you need to clean up the act over there in the ministry, because your performance measurements that you're bringing forward into this Assembly – let me just start by talking about your number one statement in that performance measurement category. You say that your ministry is there for

satisfaction of Minister, Premier and Cabinet with quality of FIGA's analysis and development of policy options and recommendations.

That goes without saying. You don't need to tell us that there has to be satisfaction for a minister or a Premier or for cabinet. If there wasn't satisfaction, you'd get rid of the whole bloody lot. What you need to tell us is that there are certain benchmarks that are put into place which are measured from time to time to see that you've got better results in terms of Hokkaido, better results in terms of Heilongjiang, better results in terms of Saskatchewan and British Columbia, better results period. That's what performance measurement is all about. Don't give us this cock-and-bull baloney stuff about satisfying Premiers and ministers.

I can go on here. The performance measurements include increased communications, within government and to the public, on Alberta's intergovernmental/international priorities.

Now here's another good one:

Effective preparation for high-level intergovernmental conferences.

If you didn't have effective preparation, again you'd get rid of the whole bloody lot. That goes without saying, so don't insult our intelligence and don't insult the intelligence of Albertans by coming to this Assembly with stuff like that.

I'd like the minister to talk a little bit about the initiative with Russia. I understand that that initiative comes about as a result of the Mulroney arrangement with Yeltsin, but we've now seen the federal government come forward with a very new foreign affairs policy, a policy that says we're going to get away from a military presence, military involvement, allocation of resources to military purposes, and we're going to put it on trade and partnerships. They use the word "partnerships" and they use the word "trade," but something that they use in that paper is a reference to privileged opportunity. Privileged access are the two words that are set out in that paper: Canadians have privileged access to the world.

DR. WEST: A point of order, Mr. Chairman.

THE CHAIRMAN: The hon. Minister of Transportation and Utilities is rising on a point of order. Perhaps 423 again?

Point of Order Abusive Language

DR. WEST: No, it isn't that. It's 23(j), "uses abusive or insulting language of a nature likely to create disorder." When he started making references to the hon. minister in regards to insulting language and references to some of the activities of the department, he was using the context of his debate almost in an insulting manner. Quite contrary. The reason I say that is because if you took the context of his first statements to the minister, with great accolades for the job that he'd done in his previous portfolio, then to turn around and go into a tirade like this I believe brings forth this point of order with some credibility.

THE CHAIRMAN: Hon. member, you wish to speak to the point of order?

MR. DECORE: The point I'm trying to make, Mr. Chairman, is that, you see, this is truly unbelievable. A minister that was so successful in his other life shouldn't allow this nonsense to happen. He needs to clean it up. That's the point I was making.

THE CHAIRMAN: Well, the Chair was squirming somewhat under the use of several terms that maybe expressed your feeling or your emotion, hon. member, but was bordering on nonparliamentary in several of your references. I think the Blues will show that as being of a nature to perhaps create disorder if someone were paying close attention and felt that they wanted to take umbrage with the choice of words. So I would just caution the hon. member to maybe lower that tone a little bit. I don't see any reason why you can't logically bring a minister to account, but there was some language there, I think, that was bordering on the abusive.

MR. DECORE: Well, I never intended that, Mr. Chairman.

THE CHAIRMAN: No, I'm sure you didn't, hon. member.

MR. DECORE: I'm delighted that the hon. minister would bring this to my attention. If there was umbrage taken, I apologize.

Debate Continued

MR. DECORE: Now I want to get back to the foreign affairs issue. There's considerable attention paid to the Russian initiative in the comments made tonight by the minister and in the documentation. When we talk about privileged access, the foreign affairs document also says that we have that privileged access because of the people of Canada. We have Francophones that are able to access the Francophone world. We have Arabs who can access the Arab world, the Middle East. We've got people in this province, Canadians of Ukrainian origin like me and others in this Assembly on both sides, that are able to access and deal with and I think make it better for Albertans and for people in Ukraine to have better trade and better relations and so on. I see more strength. I don't want to say that we should simply close the door to Russia, because it's important to have a presence there.

But I'd like the minister to tell us what sorts of initiatives he plans to take with respect to Ukraine. Is there something that we should be doing? I note for the minister's attention the fact that Saskatchewan, through its Premier, asked the Ukrainian community in Saskatchewan to do an analysis to determine what it was they thought the Romanow government should do with respect to Ukraine. Is that something that you've done or you've considered doing? Have you had some meetings with the Ukrainian Canadian Congress and its leaders in Alberta? Should we be doing something more, or is it something less that we do in comparison to Ukraine, notwithstanding the fact that there are many more Canadians of Ukrainian origin in this province than there are of Russian origin? I don't know. I'd like your response to that.

8:40

When he talks about the development of trade and opportunity, I'd like the minister to tell us: has he noted that the British Columbia government has set up a special trade group headed up by Wilson Parasiuk that is now actively working in Russia and the former Soviet countries trying to get, for example, the Torrens system established in those countries? Does that then fit with the

program and the objectives that the minister has with respect to Russia and Ukraine and Poland and other countries where we have this privileged access, Albertans who have an understanding of the language, an understanding of the culture who can go in and do that?

I'm glad that the minister of economic development is here because I'll be interested in hearing his comments on this issue as well. We need to be, I think, more aggressive in these areas. I think there is tremendous opportunity for us. I don't know if the ministers are aware of the fact that a company on the Alberta Stock Exchange has now been given the exclusive drilling/exploration rights for gas and oil for the Crimea region in Ukraine. I hope you knew that, and if you do know that – and he's shaking his head – what other things, Mr. Minister, can we be doing to enhance our opportunities and theirs? Give us a game plan.

MR. PASZKOWSKI: We've got to get paid.

MR. DECORE: You're right; we've got to get paid. And the agreement that was struck, minister of agriculture – I saw the agreement or saw a précis of that agreement – is a much better working arrangement than what we've experienced in Russia, where companies are now pulling away because they can't get paid.

That's part of what you have to do, Mr. Minister, make sure that we do get paid and set up the environment so that can happen. Yeah, so we can get paid, and the minister of agriculture has one of those privileged access abilities to get in there and do some things for Alberta. Show us the game plan.

Mr. Chairman, I end with this observation, that the FIGA minister talked about this being a year in transition. I don't know what he meant by that. I'd like the minister to tell us what this profound statement, a year in transition, means. I hope it means, Mr. Minister, that you're shutting your door, passing this back to the Premier, and we'll save some money.

Thank you, Mr. Chairman.

THE CHAIRMAN: The hon. Member for Edmonton-Ellerslie.

MS CARLSON: Thank you, Mr. Chairman. It's a pleasure to follow my colleague from Edmonton-Glengarry in his comments and in a couple of areas expand upon what he has started with. To begin with, I'd like to return to the two questions that were asked in the House in late February with regard to FIGA and look for some additional answers to those questions and some clarification which the minister, when answering the questions, led us to believe that we would be able to find out in estimates.

Back on February 22 the question was asked:

While this government is firing health care workers and forcing doctors, due to its policies, to leave the province, the Premier himself has actually added staff to the Department of Federal and Intergovernmental Affairs, which is already one of the largest and most bureaucratic of such offices in the country.

Then the question was asked why you have to have 77 employees when, as my colleague said, "Ontario needs only 60 and British Columbia can manage with . . . 16." Well, the minister answered that estimates will be coming up and that he'll go into them in further detail, so we're looking forward to that.

He also stated that in the last budget a ministerial office was not built in because the Premier had that portfolio and that when you put a minister in charge of an office, there are some staff requirements, and that was the adjustment. Well, when I go back

and take a look at the public accounts for '93-94, volume 2, I find that that in fact is not true. In 1993 there was a minister in charge of this department, and at that time you had 71 employees. Then under the Premier's direction in 1994 that grew to 73 employees, and suddenly under your direction it grew to 77 employees. I'm wondering if the minister can clarify that point for us, because obviously what he answered in this question back on February 22 was not entirely based on fact as we see it in the public accounts.

Then the Premier was asked to justify actually adding staff to the department when it already had four assistant deputy ministers making an average salary \$97,000 per year, which my colleague from Edmonton-Glengarry touched on. When he was talking about that, I saw the minister shake his head as if, no, in fact that wasn't true. Well, just to refresh the minister's memory, I'd like to go through the base salary of these employees and then the benefits and allowances that they get, because in fact it is true that they are earning that much money. I think if the minister doesn't know this, then he should become more aware.

The deputy minister in '94 had a base salary of over \$104,000. His benefit package was more than 20 percent of that, which brought him up to a gross total of \$131,000. The executive director, who is in Ottawa: we see no reference in either the business plan or the budget itself as to what this person's exact mandate is and what the benchmarks are to evaluate his performance, whether in fact that person is needed and is of great assistance. Or do your ADMs here go directly to Ottawa ministers and departments when they need information? We see no justification for the executive director in Ottawa at all in the information provided to us, and I'm sure the minister will be very happy to get up this evening and give us a detailed explanation of exactly what that person does and how they may or may not be valuable to the department. Well, that person makes over \$79,000 with a benefit package which again is more than 20 percent of his salary, to top out at nearly \$97,000.

Then we've got the four assistant deputy ministers, which the minister tells us on a regular basis are not really all assistant deputy ministers. One of them gets over \$92,000 in base salary, a 20 percent benefit package, to top that person out at \$110,000, almost \$111,000. Another gets a base salary of \$84,000, a 15 percent benefit package – we don't know what this person did wrong – but they top out at about \$97,000. Another one with a base salary of over \$79,000 gets a benefit package of 13 percent, to top them out at \$91,000 a year. Then another one gets a base salary of over \$73,000 with a benefit package of over \$14,000, to top out at \$88,000.

Well, perhaps the minister can explain to us why there is a wage discrepancy in these assistant deputy ministers and how it is that they're making so much money if in fact they're not actually doing the job of an assistant deputy minister. It also occurs to me, having had some dealings with this department and all those dealings having been with women: has the minister done a gender analysis of these pay rates? I think that we'd be very interested to have that information provided to us. Knowing this minister, I'm sure he would not want to contribute in any way to any discrepancies in pay here. So we look forward to that information in those areas.

Getting back to the questions that were asked, the Premier was also asked at that time how he can justify cutting health care by \$275 million, increasing health care taxes by \$58 million, and then turning around and increasing the minister's office by 85 percent. In fact, that's what's happened here. The minister looks very ready to jump up and defend his position, and I'm sure that

he's going to be doing that. In the answer the minister at that point said that this only happened because the ministerial office was established. Well, we already have a precedent here in the public accounts, where there was a ministerial office, where you did not have to increase the staff, as you have done in this instance. So how come 71 people were okayed then and now you need to increase over and above the 73 that the Premier had to 77 people? Surely that requires a lot more clarification than what we've received so far.

An additional question was asked on February 23, and the gist of it was that

Albertans have told the Premier of this province that before their schools close and their hospitals close, they want the government to cut its fat at the upper echelons.

We have an example in this department where there's a lot of bloat at the top. In addition, at that time there were four copies of a summary tabled that indicates that "much of this department's work is being duplicated by other ministries across the front bench." I'll address that issue just a little bit later because in fact it's true and it's worthy of a great deal of discussion.

8:50

What happened then is that the minister answered back, again with regard to justifying why he's got the four assistant deputy ministers there, that they need those names in order to be able to carry out their business and that "there is in fact only one assistant deputy minister" and that the other people are executive managers II. Well, are they or aren't they? Are they executive managers, or are they assistant deputy ministers? If they're assistant deputy ministers, do you need that many in that department, and should they all be paid the same base wage? If they're not, why are you giving them the title? You're saying that it's opening doors in other areas, but it's got to create some conflict within that department, within the staff itself. I think we would like to know if you've addressed that for sure.

Again, in the answer to this question the minister was misleading when he talked about the salary ranges for these people. He said, "The others are in the range of \$70,000 to \$75,000." As I just explained, that in fact is not at all the case. All of them are up and over the \$90,000 mark. So, again, I think that when the minister is answering these questions, he should attempt to be a little more realistic in his comments.

Now, to get back to that question in terms of the duplication. When the minister got up here this evening, he talked extensively about eliminating the overlap and duplication in his opening comments, yet this department is the very best example I can see of government overlap and duplication within your own framework here. Even when we go to the budget, on page 95, under Initiatives, you talk about:

Continue the process to reduce the cost and improve the efficiency of government by reducing overlap and duplication in federal/provincial programs, services and activities.

Yet when we take a look at the actual duplication that FIGA does with other departments, it's quite amazing. In Advanced Education and Career Development the overlap comes in official languages and education programs, the Pakistan project, and interprovincial agreements. Well, we need to know who's in charge here. Is FIGA in charge, or is it Advanced Education and Career Development? Do you work together on the projects? If so, do you need to? How much overlap and duplication is there here?

In Agriculture, Food and Rural Development exactly the same thing happens. Areas of overlap and duplication: there are the

Canada-Alberta environmentally sustainable agriculture program, the Canada-Alberta farm financial management and advisory services, which in fact the minister just talked about in his opening comments when he said that there was one-stop shopping for this in FIGA. So perhaps the minister will be happy to explain where people go and how they tell the difference and where they should be going and whether there's overlap and duplication there.

Also, the Canada-Alberta agreements on processing and marketing, the Asia-Pacific market support, and the American market support: there's no clear identity here for FIGA in terms of the overlap in these areas. Definitely this needs to be explained not only to us who are reviewing this information but to the people who will be using these services. Certainly, in order to justify the budget that you require here to all Albertans, you've got to identify those areas. My colleague outlined a number of areas in Economic Development and Tourism that have overlap. Again there's overlap in the areas of business immigration and investment services. The tourism, trade, and investment not only is listed in your business plan but is also listed in the economic development business plan. So who's got the identity for this, and who's got the responsibility for this? You said, Mr. Minister, that you were in charge of trade and investment agreements, yet that's exactly what economic development says. I see you have the minister sitting there right beside you. Perhaps you can get your story straight, and when you stand up here tonight, you can tell us really which direction the government is taking here.

Tourism, trade, and investment go over the eastern region, the western region, the Americas, Europe, Asia-Pacific, Africa, Middle East, and India, in all of which we see duplication in your department and in ED and T. The western economic partnership agreements: again both of you are claiming credit for having done the same thing.

When we get to Environmental Protection, they talk about intergovernmental harmonization and co-operation. Well, it seems to me that that's exactly what your mandate is in FIGA. So again, how do you work out the logistics of this, and how in fact can you meet your mandate of eliminating overlap and duplication here?

Family and Social Services: no different. In Family and Social Services they have a federal/provincial/aboriginal affairs area. I know that people in your department work on exactly the same project. They have an intergovernmental relations manager. Well, again it just looks like clear-cut overlap and duplication. If this is not the case, then I would wonder why the minister wouldn't have provided more detail in either his budget or his business plans in order to let us know how necessary and different the services he's providing are.

[Mr. Clegg in the Chair]

As my colleague said, this is one of the poorest excuses that we've seen in terms of justifying the number of dollars that are needed in a department, and I, too, personally find this to be a great disappointment, because certainly this minister has produced better results in the past.

When we take Public Works, Supply and Services, they have a department that talks about cross-government applications. Well, do they go through FIGA in order to administer that? Does FIGA monitor what they're doing, or do the two of you just never talk to each other and you each continue to do your own . . .

AN HON. MEMBER: Thing.

MS CARLSON: . . . thing – thank you very much, there – which from the nodding of the minister's head is exactly what I would expect is happening there, which is really too bad, because when you have a mandate to eliminate duplication, it's just surprising that they could justify each of them having separate and independent budgets and goals to achieve exactly the same result.

In the achievement goals the business plans do set out some achievements in the last year the department takes credit for, but it's really possible for us to poke holes in all of these and to make a strong argument that the Department of FIGA serves really no valuable purpose here at all, since most of its functions are duplicated by other departments or by contracted advisers. That's an interesting component that doesn't really show up here anywhere in the budgets, the contracted advisers.

We know that in the internal trade agreement there was a contracted adviser there, and that's doubly interesting because the Department of Economic Development and Tourism also claimed to have played a large role in helping to negotiate the agreement and to reduce trade barriers between provinces. The budget announces that the Alberta Economic Development Authority will be establishing a task force on interprovincial trade. That's in the business plans for ED and T. Now, FIGA takes the credit for the internal trade agreement. Economic Development and Tourism takes the credit for the internal trade agreement. In actual fact, when we take a look at the numbers, what happened here is that it was only really the former minister, Jim Horsman, Alberta's chief negotiator, who had any impact at all in this agreement. So perhaps the minister would like to apprise us of exactly what involvement his department had in this area. I'm sure that the Minister of Economic Development and Tourism would like to supplement that, because you're both vying for the same claim to fame when it looks like, from what I see here in these figures and in the end result, it was someone completely independent who actually had the greatest impact on this agreement.

9:00

Then in addition to having an outside third party who actually did the work on this agreement, the minister could have used his own staff in this regard. If you didn't use your own staff, was it because they're unqualified or they couldn't do their job because they were overworked or they had some other commitments? I think you need to clarify this here. Mr. Horsman was hired on a special contract to act as a negotiator on internal trade. Well, if you don't have any negotiators within the department, why are we paying all these huge executive salaries to a total of 77 people, the vast majority of whom are managers or executives or senior officials? I'm wondering how the minister can take credit for any success in helping to negotiate this agreement when you couldn't even find anyone amongst your huge staff to do it and you had to waste even more money by going outside to hire Mr. Horsman on this contract. Also, if Jim Horsman is in fact acting on behalf of the government of Alberta in this area, what actually is your department doing in terms of the internal trade agreements? I would really like a step-by-step outline of what it is that's happening there.

Once again, if the two ministers here could work it out between them how both the department of economic development and the Department of FIGA can claim to be responsible for negotiating the improvements to interprovincial trade. That's a complete mystery to me, and I'm sure that a number of people are also wondering about that.

Also of concern here is a concern of some Alberta municipalities. We've heard this on a number of occasions from many

different municipalities who have written and talked to us and I'm sure, therefore, have also written and talked to the minister expressing concern that they will now be subject to the provisions of the international trade agreements in areas such as electronic tendering and geographic neutrality and threshold requirements despite the fact that they were not consulted on the agreement before it was struck. I find that to be quite an interesting comment from the municipalities, that the provincial government did not take into account at any time that they were going to be affected by this agreement.

Particularly it affects municipal businesses who would expect, I would think, to gain business from their municipalities and now will often be thwarted by this agreement that the minister didn't even feel was necessary to contact them on at all: didn't negotiate with them, didn't invite them to participate in any of the negotiations, didn't take any feedback from them, in fact, completely ignored them. I'm wondering why the minister did that, and I'm certain that he will address this. I don't know how you could expect to negotiate an agreement with any expectations of it being upheld in the long term when you didn't consult with Alberta municipalities on the provision of this internal trade agreement, which in fact you promised to do. So we have here not only completely ignoring the municipalities but also breaking a promise to them, which I find to be very unsatisfactory.

MR. WICKMAN: Sorry, Danny. You've got to sit down. Just because you're on a crutch, you don't get preference. It doesn't work that way. Mr. Chairman, ever since he got that cast and the crutch, he figures he has priority over everyone else.

Mr. Chairman, I want to make some constructive comments as I look through the budget and as I formulate my thoughts. I can go back to the last term. At that particular time I was addressing intergovernmental affairs, and I can recall very distinctly sitting here and complimenting the Premier for having used the wisdom to retain that portfolio under the Premier's office, recognizing the sensitivity, the importance of many of the national issues, many of the matters that have to be addressed by all the provinces and the territories. I can recall the Premier standing up and saying: yes, the Member for – at that time it was Edmonton-Whitemud – Edmonton-Whitemud is demonstrating wisdom; he's recognizing the importance of FIGA and the importance of retaining it within the Premier's office. For some reason that has since changed. Why? I'm not sure. I don't see any rationale as to why FIGA no longer has the same importance as it may have had before. It's been pointed out the situation in Ontario, the situation in British Columbia, where federal and intergovernmental affairs has been retained under the Premier's office because it is recognized that it is in fact a very, very important aspect of all governments.

Now, as I go through the budget – and forgive me, Mr. Chairman, if I'm a bit repetitive. Some of these figures have already been used, but I think they're worth while repeating even if I am repetitive, if I do repeat some of the former comments that have been made. When one looks through this particular budget of this department in conjunction or in comparison with other departments, it's very, very noticeable that we see a decrease, but it's a marginal decrease of I believe less than 1 percent. At the same time, if you look at the full-time employee positions, we actually see an increase in the number of positions. We now see a total, by our figures, of 77. That compares with our province to the west which has about one-fifth of that, 16; or Ontario, that has a lesser amount than us yet has a much larger population and is under the Premier's office, with a total of 60.

I think the most startling stat when one goes through the budget is the level of positions. The latest public accounts show that in addition to the minister, there is the deputy minister, there is an executive director in the Ottawa office, there are four assistant deputy ministers, and there are 23 middle managers. We have a total of 30 so-called executive or management positions that manage 44 other staff members, a ratio of 1.5 to 1, which is an extraordinarily high amount of management. It compares with other departments: Education with a staff of 693 having three deputy ministers as opposed to four, or the department of environment with a staff of close to 4,000 having four deputy ministers, or 1 per 1,000 rather than 1 per 20.

Mr. Chairman, what it's pointing out is that we have a situation here where we have managers to manage managers. That was an expression used at City Hall a number of years ago when the Member for Edmonton-Glengarry became mayor and recognized that there was a need to shake down City Hall, to do some restructuring because we had a situation where we had managers managing managers. In fact, the management was reduced by a total of 2,000 positions over a period of time in a very sensitive fashion, an orderly fashion, I must add. But I don't believe there was any department in City Hall that had the ratio of management to staff that this particular department has here.

So my advice, Mr. Chairman, to the minister responsible would be to do a bit of restructuring within his office, reduce the administrative costs and try and make it more in line, more reasonable with other departments in similar jurisdictions across the country.

I believe, as well, Mr. Chairman, that one has to look at the duplication that occurs in a sense that there are other departments that are directly and very extensively involved in intergovernmental matters as well. The Minister of Family and Social Services, for example, if I'm not mistaken, has an intergovernmental relations manager. Public Works, Supply and Services has cross-government applications. We see Economic Development and Tourism, which has been touched upon, and the duplication in there. We see a great deal of intergovernmental activities within the departments of agriculture, Advanced Education and Career Development. So it is not just in itself that we see intergovernmental affairs being managed out of this department; we also see aspects of it within other departments. So I think it reinforces, re-emphasizes that this department is indeed very, very top heavy.

9:10

Mr. Chairman, we look at the additional factor in addition to the intergovernmental aspects of other departments. We look at outside contracts, outside consultants that have been put on payroll or put on contract in the past. The two most notable ones that come to mind, of course, are the former minister Horsman, who has now, I understand, come to the conclusion of his contract but who spent a considerable amount of time as the chief negotiator for the province under this particular department. Then we of course have the infamous trade commissioner, whatever the expression was, in terms of the former member for Red Deer, former Minister of Family and Social Services, who was hired on a special mission to enhance our trade relations, enhance our relationship, whatever, with Mexico. So we've seen intergovernmental affairs supplemented by similar activities within other departments, and we see that again supplemented by outside contracts that have been given.

In fairness to the current minister responsible, both those instances that I referred to were done prior to his time or initiated prior to his time, and I believe they were not extended under his

jurisdiction. Correct me if I'm wrong, but I believe so. I should be very, very careful before I launch criticism in that direction because that minister is not responsible for those activities.

I've spoken somewhat about the management and the staff and such within the department. Just a couple of things I want to point out, Mr. Chairman, because we have a number of others here who are anxious to make their comments on this particular department. If I was in the position to be able to tell the minister as to what efforts I believe his department has to emphasize, in addition to the further removal of interprovincial trade barriers and the ongoing concerns, there's probably never been a need as great as there is right now in terms of the future of the country, in terms of the economic status of the country as to enhancing national unity to every degree possible, retaining Canada in its present form and diminishing any threat that we have of the province of Quebec separating. I think it's very, very important that we have a country that remains as is and a country that includes Quebec. We saw a member from the other side stand up during a private member's statement and voice those particular concerns in the other official language of Canada.

The other area, Mr. Chairman, that I emphasize to the minister is that I'd like to see a great deal of emphasis placed in terms of discussions with the other appropriate ministers in the other jurisdictions or the persons responsible for the compatible activities towards national standards in the sense that we now have a system across Canada where standards can vary from province to province so much in terms of education, in terms of health care, in terms of so many other areas where it can affect people so greatly, particularly during this latter period of time when people tend to move around a lot more. It's not like 40 or 50 years ago. If you were born in Ontario, you tended to stay in Ontario. If you were born in Kivikoski, Ontario, you tended to stay in Kivikoski, Ontario. People are much more mobile. They transfer around the country. They relocate. At the present time you can find yourself in one province that offers a certain standard of education. You go to another province, and it may be totally different. So there should be some type of minimum standard when it comes to the various human services such as health and education.

On that note, Mr. Chairman, I'm going to conclude to allow the Member for Calgary-West, if you so wish, to do his thing.

THE DEPUTY CHAIRMAN: The hon. Member for Calgary-West.

MR. DALLA-LONGA: Thank you, Mr. Chairman. I have a few comments I'd like to make, and I would like to start off by reiterating some of the comments that my colleague from Edmonton-Glengarry made, that the minister in charge of this department had an excellent track record in the Department of Justice. Certainly I don't mean any umbrage by any of my comments, but I think I have some comments to make that would be useful, and I'd like to make them and then at the same time get the minister's response.

The first thing has been mentioned at length. You know, the other departments have taken great pains to reduce some of their costs, and I don't think this department has done quite the same job that might have been done. Let me start off by saying that I understand that there is . . .

THE DEPUTY CHAIRMAN: Hon. member, you thought I was going to call everybody to order, but I'm not. The hon. Member for Calgary-West has a sore leg, and I was just going to ask the

indulgence of the House if he would like to sit down. I don't see any problem with it. Okay. Hon. member, if you want to sit down, you can.

MR. DALLA-LONGA: I appreciate it, Mr. Chairman, and at some point I may very well sit down, but I've been sitting down all day. Thank you.

I'll start where I left off. I understand that there is a place in every large organization for departments like this, but I don't think this department is working quite the way it should, and I say that to a certain extent from experiences that I've had with the department in my other life, in my professional life. I've had opportunities to work with clients in other countries, other jurisdictions, and the last department that we would think of going to is the Department of FIGA or for that matter the department of economic development. I mean, there were certain things that you might use them for. Predominantly it was to see if you could get some money out of them, but that was about it.

I'm not so concerned about the level of salaries that are being paid. I'm more concerned about the qualifications of the people involved. I find it hard to believe that these people one year can be involved in Russia and helping government create relationships in that jurisdiction and then turn around and go into Pakistan or Mexico or whatever. I think you need specialists in this area, and I'm not talking about the Juan Oldrings of this world or the likes that we have had in the past. So I think maybe more use of consultants might be appropriate.

I take a little bit of exception to some of the successes that this department claims; for example, the monitoring system for a particular trucking company or a group of trucking companies. I think I know the company that the minister was talking about, and I've had some experience with them. I don't think they would give much credit to the government for helping them get that project off the ground.

9:20

I've talked to people that have gone on some of the trade missions, and I'm not sure whether they were done through the department of economic development. I'm sure some of them were organized through FIGA – and I don't know what you call people that work in FIGA, FIGA-ros or whatever – but I don't think these trade missions were all that successful. I understand the purpose of them, but I think the wrong people were involved with them.

The Ottawa office, the listening post or the monitoring, I think is a good idea. It certainly is a plus if the person is bilingual. I would have thought that's automatic, but we don't know enough about it. Maybe that's the purpose of the government.

You know, this is the estimates, budget, debate that we're supposed to be doing here tonight. I think it is absolutely incredible, Mr. Chairman, that we've got five lines of numbers for the whole department. That makes me suspicious. I know it's one of the smaller departments, but I think that's unacceptable. I'm looking forward to some comments from the new Auditor General, whom I know, and I'm sure he's going to have some valuable input in that more detail needs to be given. To look at these five numbers and carry on any meaningful discussion is absolutely ludicrous.

It was mentioned before, and I'd like to sort of mention it again but maybe in a more positive or constructive light. There does appear to be some overlap with economic development. This is a very important department. I believe it's an important department, but I don't think economic development and FIGA have a

clear delineation of who has what responsibility. I mean, if I look at some of the information that comes out of budget documents, clearly there's an overlap. When you sometimes have ministerial conferences, it's not FIGA that goes to those ministerial conferences. In the case of energy, it's the energy ministers that are there. When we had this problem back about four or five years ago with – the name escapes me – the California gas marketing problem that we had, it was the Energy department that was there. FIGA had, I'm sure, some responsibility, but the primary player in that was the Energy minister. So I think there has to be a little more clear delineation. I know there's protocol and all that sort of stuff, and I'm not as hung up on that aspect of it as much as: do we have the right people working in there? I'm sure we don't. I've worked with various parts of this department in the past, and I just didn't feel that the government was spending their money properly. I could be wrong.

AN HON. MEMBER: Well, you could be.

MR. DALLA-LONGA: I was wrong once before.

Doing business in Russia, for example . . . [The bell rang] That was a fast 20 minutes, I thought.

THE DEPUTY CHAIRMAN: We'll get it straightened out.

MR. DALLA-LONGA: Doing business in Russia, for example, is another area I've had some involvement with. That's a really complicated area, Mr. Chairman. I think there's more that this province could do to help with some of the red tape problems, but right now I know that the business community wouldn't even think of going to the government to get help with some of the problems. They're having problems getting paid. They're having problems with various jurisdictions. They almost seem like they're on their own. If we're going to spend all this money, let's help business do trade in some of these jurisdictions.

So, in summary, Mr. Chairman, my comments can be summarized in about four points. One, I think we need a little more detail about the dollars that are being spent. The second point is that I have some serious concerns about the qualifications of the people involved, and it does seem to be top heavy. Seventy-seven people is a lot of people to be in that department for the role, once it is clearly defined. It's an important department, and it warrants, in my mind, probably a separate ministry, but it has to be very finite and very effective and maybe make more use of qualified consultants. The third thing is that I think we need to sort of give a better explanation of how this department can help the other departments. I just think it's too fuzzy as to what's in there.

I think those are all the points I have to make, and I look forward to the responses from the minister. Thank you.

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

MR. SEKULIC: Thank you, Mr. Chairman. I rise to speak to the estimates for Federal and Intergovernmental Affairs. The first thing I noted in preparation here to speak to the FIGA estimates was, in fact, when I made a comparison in *A Better Way II: A Blueprint for Building Alberta's Future*. It showed FIGA to have 17 pages of blueprint, and it's got a budget of \$6 million. Then I looked to the next one, coincidentally, the one that follows FIGA – and that's the Department of Health estimates – and there are 42 pages of blueprint. You know, what's notable here is that

that department has a \$3,562,000,000 budget, yet its blueprint was just slightly over two times as long. I find that not just surprising; I find that shocking. When you look to the Budget '95 documents, likewise you see the similarity or the correlation once again. FIGA is one and a quarter pages in description, and Health is two and a quarter pages. Certainly, if FIGA is worthy of that one and a quarter pages, Health must carry more than two and a quarter pages, given that we serve 2.7 million people in this province, and FIGA serves merely the government departments and the interrelations of the government at various levels.

Now, one of the questions I had is that in times where we're downsizing and restructuring and cutting in areas like education and health care, there's an FTE, a full-time equivalent, increase of three positions in FIGA, and I'm just curious: what is it that necessitated the hiring of three additional staff, and at what level have these people been brought in? I would assume that we can deal with FIGA and the business of FIGA with an existing staff level. I can't see any department in these times growing in size. I'd like some explanation, maybe even job descriptions, as to what's being done by these individuals.

The one thing I did note is that the budget overall is within \$8,000 of what it was in 1993-94. Once again, likewise, I would anticipate that we'd see a more severe reduction in departments like FIGA and a concentration on trying to maintain levels or reduce less in people programs. So I found that to be a little bit of a concern.

9:30

I take a look at the three-year business plan highlights in terms of achievements, and the first achievement that's noted there is:

Achieved Alberta's basic objectives in the Canadian Agreement on Internal Trade, signed July, 1994.

That's fairly straightforward. There are three others there for the year previous.

Secured agreement with federal government to begin review of 15 areas for removal of overlap and duplication of federal/provincial programs, services and initiatives.

I know this has been mentioned by some of my colleagues, but I would like to see some of FIGA's initiatives be internal and looking, perhaps, for what it's trying to find. Between federal and provincial, surely the amount of overlap and duplication that we have within the provincial government itself is quite large and quite substantial. If we could eliminate some of that, once again perhaps those dollars could be directed to the people programs.

I guess one of the things I look to and would like to see and I know Albertans would like to see is performance indicators. Although this is stated as an achievement, I want to go beyond that and see exactly what the benefits are. This duplication: for all I know, that may be two areas that supposedly did the same thing but weren't doing them, were inactive. Performance indicators would tell me the level of operation and certainly what level of capacity we're going at.

The third point there in terms of achievements is that we helped sell Alberta Advantage with two successful Premier's missions to Asia.

Well, I daresay, Mr. Minister, that in fact these were more tours than they were trade missions. I'd like to know specifically who the Premier met with. I know some of this was available earlier, but I'd like to know specifically who the Premier met with and the outcome of those meetings. It's just not enough to say that we're establishing relations. I mean, there has to be some benefit returning to Albertans when we send anyone abroad. I take a look at the recent journeys of the Prime Minister, some six or

seven months back. I'm not sure; I think he went on a China mission. [interjection] Was it? It was a China mission. He came back with I think it was \$8 billion worth of contracts, and what was disputed at that time was that, well, some of these contracts had been signed or arranged previously or earlier. But the bottom line is that there was \$8 billion worth of business, of trade coming back to Canada in that case.

I'd like to see clear indication, after the Premier or any of the government staff who travel with the Premier meet with these companies abroad, that a contract was signed. What is the value of the contract? That's the performance measure of a trip. It's not just good enough to say that the trip was arranged, it went well, meetings were had, and fun was had by all. I think it's important to say what bang Albertans got for their buck, because every time you step in an airplane and leave this province or stay within the province, you pay for that ticket using taxpayers' dollars and you pay for the hotels using taxpayers' dollars. In fact, the time of the people that travel is paid for by taxpayers' dollars.

The next point here is:

Assisted in resolving the softwood countervail case with the U.S. so Alberta companies could regain \$30 million in duties.

I think that's one area where there's a bit more here. It's descriptive. It's telling us what benefit Albertans in fact had.

When we look to the initiatives to continue the process to reduce the cost and improve the efficiency of government by reducing overlap and duplication in federal/provincial programs, services and activities

I hear there were 15 areas. I hear that now we're going to be continuing in this area. For God's sake, how much overlap existed? If there is that much overlap, this is going to be an ongoing project, and I'd question the entire purpose of the existence of the department.

The next point is:

Implement the Canadian Agreement on Internal Trade [in Alberta] and enter phase two negotiations to strengthen and expand the agreement.

Now, I think this is a fairly straightforward area, but I look to the budget, which is just over \$6 million, and the number of initiatives. As I count, there's a total of seven initiatives and \$6 million. You know, those are fairly expensive initiatives. I appreciate that the department probably does more than that, but this is the business plan; this is the core of what the department does. I have a bit of a concern that this is nearly a million dollars an initiative, and I daresay that the private sector probably wouldn't be able to afford initiatives of this nature at those costs.

In the next one that I look at, the intention is to work closely with Albertans in developing responses to the challenges of national unity.

I'm puzzled. I've read two or three comments from the Premier about unity in newspapers, but once again, if this is one of those million-dollar initiatives, three comments in newspapers would hardly do for a year's worth of work, so I'd like some expansion on that. I know I've perhaps narrowed that down a little bit, but I'd like more explanation on what specific initiatives we're talking about in terms of national unity, because on the other end of that scale I've heard members from the government speak of western separation. So I'm not sure: is that part of the same program? We are paying a million dollars for this initiative, I believe, and on one side we have members of this government speaking against this initiative, while this department is claiming to work towards unifying Canada. So that's a bit of a contradiction. I think that one has to be addressed. What is the role of the government, and is everybody singing from the same songbook on that one?

Then the next initiative is:

Continuation of the Russia-Federalism Project will result in net revenue generation for the Alberta government.

Now, this initiative is to result in net revenue generation. Once again, in terms of performance and outcome I know we're spending close to a million dollars on this project, and I would perhaps be supportive of it. I just want to know what the anticipated net revenue is, in which areas we need to break it down and explore it a little further.

The next one as we travel along is:

Internal efficiencies will result in savings of approximately 3% of total budget, which will be used to cover a large portion of the Minister's Office costs. The Protocol hospitality budget will be reduced by tendering of contracts, the use of Canadian products and moving to more modest functions.

I see that's a 3 percent savings. I just question as to I guess what kinds of functions we were putting on and for whom, and how many were put on and for what purpose and to what ends. It's one thing to say that we're going to be a little more modest in how we host, but I want to know whom we're hosting and for what purpose. I think that's a fair request. When the taxpayer is paying for someone's dinner, I certainly think they would expect to know who they are and what they're doing here and what we anticipate as an outcome of that meeting. I'm not saying that this isn't needed. In fact, I know it is needed, very much so. Once again the information I'm after is: who are we meeting with, for what purpose, and what have been some of the results in the past as a result of these types of functions being put on?

The last one that I'll speak to is the seventh initiative, close to a million-dollar initiative.

Administrative restructuring will occur, resulting in the elimination of an Assistant Deputy Minister position.

Most of the work that I'm seeing, most of the initiatives for 1995-96 in fact are either eliminating duplication or doing administrative restructuring, and \$6 million is an awful lot of money to be doing work purely concentrated in the department. What I'd like to see in the business plans, and certainly the money being spent towards, is more of those tangible outcomes predefined and I guess justified, based on previous outcomes.

So with those few comments, Mr. Chairman, I'll pass the floor to one of my colleagues.

Thank you.

THE DEPUTY CHAIRMAN: Thank you.

The hon. Member for Edmonton-Norwood. I forgot about him. [some applause]

9:40

MR. BENIUK: Mr. Chairman, what I'm going to say is going to be anticlimactic after this warm welcome.

I must say, Mr. Chairman, that I find the minister's department to be probably one of the most interesting ones in government. To deal with other governments on international, national, and provincial levels I'm sure is quite intriguing. I would imagine that one reason he has people being paid very high wages is because of their expertise in languages, their expertise in work experience they've had, or special knowledge. I would like the minister to be so kind as to reply as to what special qualifications the people within his department have to be classified at such a high category.

This leads to a very crucial question: are the people given these very high titles – a deputy minister, an executive director, four assistant deputy ministers, and 23 middle managers out of 77 people – because they are dealing with other people in government and therefore a high title is provided for protocol reasons? So they are being paid not for the work that they are assigned to do

but to allow them to be able to communicate one on one with a deputy minister or an assistant deputy minister, in which case the people of this province are paying people for the title that the minister has given them rather than for the job being carried out. So on one hand, my question, so there's no misunderstanding, is: what qualifications in the way of knowledge, language, et cetera, would these people have to warrant these titles? On the other hand, how important are these titles for these people to function within his department, which as I have said is probably one of the most interesting ones in government?

[Mr. Tannas in the Chair]

Now, the minister has four assistant deputy ministers: apparently one in international, one in internal trade barriers, one in Canadian intergovernmental, and one in policy and co-ordination. It would be nice to know what policy and co-ordination means. Is it co-ordinating the department or co-ordinating policies of other departments? Which leads to the question: what percentage of dealings with other governments goes through the minister's department exclusively, as to those which go from, say, transportation to another transportation department in another province? What percentage goes through the minister's hands or his department's hands? What specifically does the international assistant deputy minister do?

Before pursuing that one point, I just would like to pause here for a second and ask: are the functions being carried out by the department, by the deputy ministers, assistant deputy ministers, et cetera, on a passive basis or are they on an aggressive self-actualizing basis? In other words, are they pursuing things which the minister and other people decide should be pursued for the benefit of Alberta and for Albertans, for industry, individuals, et cetera? Or are they simply reacting to a situation already in place? The minister has a phenomenal opportunity to influence so much by channeling all contact, or most of the contact, I would imagine, from this government to other governments.

My colleague from Edmonton-Glengarry mentioned the Ukrainian connection. I think it's crucial, because of the massive economic potential for Alberta in trade and in investment, for the minister and his department to take a very serious look at the Ukrainian situation. I could provide him with some great examples of why I think it's an avenue that he will find quite beneficial for Alberta and Albertans, not only because of the potential for oil and gas, but the environmental knowledge that we have can be marketed in certain parts of Ukraine; for example, in the Donbas in the southeast and central areas of Ukraine. There is phenomenal economic benefit to both sides, and I would encourage the minister to encourage his departmental people to be more aggressive in this area. In fact, I cannot think of another area right now, outside of eastern Europe, where the economic benefit would be so massive because of the potential market there. Germany is moving in very aggressively. Canada, which has a very powerful connection because of the million plus Ukrainians living in Canada, is not utilizing this connection. A comment was made earlier about the ability to pay for services. I can assure the minister that that will not be a problem. Deals are being cut with other countries, and those countries are being paid in hard currency or in product that they can in turn utilize in their countries.

There's a paper shortage in Ukraine. We have a very powerful paper industry. Right now paper is very expensive, but at one time not that long ago there was a difficulty in marketing paper. The potential is there. Our technology in oil and gas, our

expertise in land titles and other things, how to develop land: it's there. The potential is enormous. The minister, heading a department dealing with governments, is in a unique pivotal position to influence the very course of trade between Alberta and the various parts of Ukraine, and I would encourage him to do so. If he wishes to have a chat any time, I would be only too happy at his convenience to elaborate on this.

I would like to conclude by stressing that I do believe the department has phenomenal potential. I realize that the minister has very high qualifications and abilities, and if he utilizes the potential in that department, Alberta will benefit. I would like to conclude at this point and turn over the floor to one of my colleagues. [interjections]

THE CHAIRMAN: Well, no. We're going back and forth, hon. members. That's the tradition, as long as there's a forth to go back to.

The hon. Minister of Federal and Intergovernmental Affairs.

MR. ROSTAD: Thank you, Mr. Chairman. I thank all the members who gave kind remarks. I didn't take umbrage at any of the comments, frankly. There's a sheaf of questions and information, and they come helter-skelter. It's very difficult to organize and to answer them all in detail, but I will attempt to organize some of them.

The first question that was asked was on the lack of information. Frankly, when I got the estimate book, I was amazed at what was there. I don't put the estimate book together; Treasury does it. Frankly, I myself thought it was lacking an awful lot.

I am new to this portfolio, and if I do have some credibility from my previous portfolios, I hope after a year in this one that I will bring the same. I frankly am looking at the department, how it's structured, what it does, do we need to do it, can we do it differently. I'm working with my deputy on that. That isn't to frighten the people that are in the department. I think they're doing an excellent job. I welcome anybody to sit with any part of my department that you'd like to know about and talk with them.

I attempted in question period – the Member for Edmonton-Ellerslie read from *Hansard* – to briefly answer, and I'm more than happy to take it longer. Yes, we have 77 FTEs. Yes, we will, as I said in my opening remarks, be down to 70 of those in '96-97, which was in our original business plan that was put forward. In fact, the extra FTEs come purely from the minister having an office. That's the only place they come from, and what they do is what any minister's office does: try and keep me in order and keep the paper flow going and ensure the answers are done.

9:50

Do we need a FIGA minister? I'll let you know more emphatically in due time as I analyze this. But I'll tell you, absolutely every other province has got one, whether it's B.C., who hides some of their FIGA stuff that we do in Executive Council and in other departments. They've got a minister. Ontario: I think the Premier was right when he said that you're comparing grapes and bananas with Alberta in that context. We go far beyond the areas that they do. We have, as I've mentioned, international trade policy negotiations, and it's policy. We're not a program department; we're a policy department.

In fact, when we talk about the 40 ADMs, I will assure you that next year that will not be in Public Accounts delineated as assistant deputy ministers. They're not assistant deputy ministers by our definition of an assistant deputy minister. Frankly, their

salaries are where they are – and I think it's unfair for employees to have salaries and benefits typified as salaries. Benefits vary. The one ADM I have was ill and took vacation benefits as a payout to help him through his illness. I have a deputy who through the Charlottetown accord spent 32 of 37 weeks in either Ottawa or wherever they were holding negotiations. She took a payout on vacation. Those kinds of things go into benefits. Otherwise, the benefit package is the same as anybody else gets.

The salaries certainly are a little bit different, but when you talk just salaries, the distortion that's given – and I know the give-and-take in this and the political tracks that people try and make, but I don't like that being made at the chagrin of our employees who are earning their income. In fact, in the so-called four ADMs there are 18 years of service on average, some a little higher and some a little lower. Where would you think they'd be in terms of pay? In the management sector, take the executive out, is 13 years, and they're not paid at that level. When you look at those sorts of things, the one ADM does in fact get a \$92,000 salary, and he's been there since 1973. The others range from \$84,000 – and he is taking early retirement April 1 and will be gone. The other is at \$79,000, and the other is at \$73,000, and these are executive managers 1, not 2. But at 18 years where would you expect them to be in terms of the salary that you get, aside from merit, by just working up the scale?

It's unfair to take people who are working and working very hard for all Albertans and try and denigrate them on the basis that they're being overpaid. I think they're worth it. We don't have managers managing a bunch of minions that are shuffling paper and keeping administration. The managers are in fact front line. I'm not talking about the so-called ADMs; I'm talking about the 23 people who are typified as managers. That's the way our structure in the public service is delineated. When you make it into a certain thing, you're called a manager. It doesn't mean you necessarily are managing people, and most certainly you aren't in FIGA, because you're on the front line, you're doing the policy things. There are very few of them who have anybody under them. They might have one, and I wouldn't call them under them. Their title may be under them, but they work as a team, and they work as equals in terms of work.

Again, as with what's in the budget documents, the same is in the business plan. I hope that we can streamline that. We can make it more informative. We can address performance measures. I'd even like your input on that. When you're a policy department and you're developing policies for other departments, co-ordinating other departments' policies with other provinces and with the federal government, it's difficult to get a measure. But I'd be more than happy to receive anybody's input in terms of making them more meaningful, because that's a struggle.

Edmonton-Glengarry asked about duplication with the Economic Development Authority's task force on interprovincial trade. Well, our role is to co-ordinate the government's activities under the agreement on internal trade. Every Alberta department is involved in its own determination of what barriers they've got. We try and co-ordinate that, and we represent our government in the national administration of the agreement. The private-sector task force is to partner with us in monitoring the actions in compliance of other governments vis-à-vis the private sector and governments and to take actions that capitalize on new business opportunities as a result of reduction in barriers. So they're not duplicating us; they're in fact trying to enhance and work with us.

I'll be delighted to provide you in depth what our Russian federation project is, which is a big thing here. There are really three prongs. It is under the Foreign Affairs department, eastern European assistance subdepartment or something. It's their

project. We bid on this with a number of others and were chosen because of the talents that we have within our department. We have very little delivery of that. It's mostly private sector. One of the things in terms of fiscal federalism, which is one of the ongoing things – Professor Boothe from the western economic thing at the U of A is delivering this. There's private sector delivering this along with us, and that's the benefit we get back. It's all paid for by the federal government, not by FIGA.

In terms of Ukraine, we had a delightful roundtable discussion with President Kuchma when he was here, and the members here were involved.

THE CHAIRMAN: Hon. members, I wonder if we could suppress it a little. The minister is coming to the conclusion of his remarks, I'm sure.

MR. ROSTAD: Very close.

The Torrens land registry proposal is being done in Ukraine. Uk-ran Oil just did a \$10 million deal. That was actually as a result of the president of Uk-ran Oil, Calgary-based, Mr. Southern – not Ron Southern but Ed Southern – who met with President Kuchma through that roundtable and who in fact emphatically says that it's because of that that he got this \$10 million deal.

The Donetsk twinning proposal was made by President Kuchma. We're considering the advantages and how it might be done. We met with the Ukrainian Canadian Congress to discuss this proposal in December, and we're considering a proposal by the Canadian Institute of Ukrainian Studies at the U of A to undertake a bid on the training of Ukrainian legislators. We're considering that proposal. I understand, actually, that two members opposite that spoke tonight are at the front and centre of that. I think we have an awful lot of talent in Alberta that can be

used at a lot less cost than we might think to advance our things there.

Mr. Chairman, I have sheaves of it here. With that, in view of the hour, if I could ask that the committee do now rise and report, I undertake to give written answers to all of the questions there.

Thank you.

THE CHAIRMAN: The hon. Minister of Federal and Intergovernmental Affairs has now moved that the committee do rise and report.

[Motion carried]

10:00

[The Deputy Speaker in the Chair]

THE DEPUTY SPEAKER: The hon. Member for Dunvegan.

MR. CLEGG: Thank you, Mr. Speaker. The Committee of Supply has had under consideration certain resolutions of the Department of Federal and Intergovernmental Affairs, reports progress thereon, and requests leave to sit again.

THE DEPUTY SPEAKER: Does the Assembly concur in the report and the request for leave to sit again?

HON. MEMBERS: Agreed.

THE DEPUTY SPEAKER: Opposed? Carried.

[At 10:01 p.m. the Assembly adjourned to Wednesday at 1:30 p.m.]