

## Legislative Assembly of Alberta

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**Subcommittee A**

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3:26 p.m.

[Chairman: Mr. Clegg]

### **Committee of Supply: Subcommittee A Federal and Intergovernmental Affairs**

THE CHAIRMAN: We're here this afternoon to discuss the estimates of Federal and Intergovernmental Affairs. I would ask that the hon. minister give a few opening remarks. I hope that everybody has been in here before. We all sit down, and if you want to be recognized, just put your hand up and I'll put your name down.

Hon. minister.

MR. ROSTAD: Thank you. It's great to be here.

MR. HENRY: That's a lie, and you know it.

MR. ROSTAD: It is. There couldn't be a better way to spend a Thursday afternoon, after sending Nick off. Although I did mention to the hon. Member for Edmonton-Gold Bar that frankly I would have rather had him as the Lieutenant Governor than a Senator. So be it.

MR. HENRY: So you still need him?

MR. ROSTAD: Yeah, we still need him for the political aspect. Anyways, we'll get down to business.

THE CHAIRMAN: We can have this discussion after the subcommittee.

MR. ROSTAD: Sorry, Mr. Chairman. That was my fault. I engendered the debate.

Actually, I will provide some comments regarding the direction the ministry is taking and outline some of our intergovernmental and international challenges that are facing Alberta. We are the smallest ministry in government. FIGA has a budget of less than \$5.1 million for '96-97, and this represents a 17 percent reduction from the previous year. Also, if you use the base of '92-93, we've reduced our spending by 33 percent and will have reduced our total FTEs by 38 percent.

As you can see, we've undergone a variety of changes over the years, and there continue to be significant changes in this present business cycle that we're in. Even before we put pen to paper to rewrite our business plan from last year and from approximately a year ago when we were before this committee with our estimates, we hired an independent outside consultant and asked them to interview our key clients regarding the future of this ministry, one of those clients being the Premier. We asked him to ask any questions he wanted relating to the department, the first question being: should there be a ministry of FIGA? Should it be a freestanding ministry? Should it have a minister attached to it? Frankly, we got a resounding response saying, yes, there should be a ministry. Of course, most of the clients can't determine whether there should be a minister or not. There's only one person that really has that privilege, and that's the Premier. But he was one of the ones consulted, and he in fact said that we should. Frankly, I had put it forward that perhaps FIGA could be attached to Executive Council and strip off some of the duties that we do, put them in someplace else, and he would still inevitably have somebody probably spearhead whatever it would be with Executive Council. However, he resoundingly said no. He wished the ministry to stay and he wished the minister to stay. So I'm still here.

MR. HAVELOCK: And we're happy for you.

MR. ROSTAD: Thank you, Jon. I must say that I'm happy. I couldn't be in a better ministry at this stage of our development.

We were also told that the ministry had to focus on those priority areas that add the greatest value to the province and to the government, it should co-ordinate major intergovernmental issues across government, and it should consist of a small focus group of senior policy advisers. As a result, we have rewritten our business plan and changed our focus. I think that restructure reflects the new direction. We're going from 77 to 55 FTEs, a reduction of 22. And rather than trying to be everything to all people, we're going to focus our efforts and resources on our key intergovernmental priorities, which will change from time to time. We will adopt a highly flexible team-based structure to better deal with the rapidly changing federal, provincial, and international environments. Frankly, that's quite a challenge to any staff, when you say: "Hey, we don't necessarily want specialists. You're going to be put into teams to confront a topic and be more mobile." Frankly, it's a challenge and frightening, but it's the leading edge of how management in private enterprise is also working, not just in government.

We'll combine our administrative resources with other agencies to create a new and innovative administrative service centre, and this will increase the efficiencies and reduce costs in all the agencies involved. As we work through it, as you see in our business plan, we have removed the administrative component of our department and merged in into Executive Council. That administrative centre will deliver those human resources – accounting, et cetera – for not only our department but Executive Council and a number of other entities involved there.

In the downsizing we took a good look at not only how many positions we had but what types of positions. Half of the positions eliminated were managerial/professional, and half were administrative support. It was 11 and 11 in the split of the 22. One of the high-profile management was one of the executive directors, who was in charge of internal trade negotiations, but that senior executive position has been eliminated, as the internal trade agreement is progressing such that the new direction is gone. We still have some cleanup to do and some commitment, particularly with the MASH sector, which we hope in the next month to month and a half we'll have finalized. But his position is gone, and he will be leaving us, missed but leaving us.

This team structure allows us more flexibility than we've ever had before and is reflected in our performance measure, which is the client survey. I know from our previous meetings last year that one of the big issues was: what are our measures? How can you measure those sorts of things? As I mentioned at the time, that would be difficult. In the analysis this time we looked at it and said that as a policy group, not delivering any programs, we are working for a varying number of clients, and frankly the only way you can measure our performance is from those clients. So in each area that we work, we will be surveying our clients as to the quality of work that was done, the usefulness of the work that was done, the direction of new work that needs to be done, those types of things. You may do excellent policy and through a client survey be told you've done excellent policy, but that policy when used at, say, an interprovincial table or on a federal issue may not in fact win the day. But that doesn't mean that the department didn't do good work, and it's very difficult to measure other than by the client that asked for the work, that you did it for. So we have one type of performance measure, and that's the client survey.

Also, I think that with the survey it will enable us to react very

quickly to issues as they arise or to the way we approach them rather than having to wait till they're perhaps used to find out whether they were effective or not effective in that regard.

Intergovernmental relations are increasing in importance within Canada, and in order to protect Albertans while Canada redefines its federal/provincial roles and while the federal government deals with its debt and deficit, we must be vigilant and vigorous in our attention to these intergovernmental developments. We can't operate in isolation from the world around us, especially when the world's changing so quickly.

### 3:36

Clearly, the most serious challenge facing Canada is national unity. Since October, when we came within 40,000 votes of breaking up, leaders have been discussing this question of how to save our country. We think that a strong and united Canada benefits all Albertans and all Canadians. We look at this challenge facing our country, and we believe that we can respond to the needs of Quebeckers and all Canadians by working towards a positive vision of our future. Provinces are working together to look at how Canada can become more efficient and serve all Canadians better. By rebalancing within the federation, we are working to make Canada a stronger, more efficient nation that can remain united. Alberta will devote a good deal of effort in the coming year to seek ways to rebalance the federal system in a way that respects Quebeckers' desire for a greater provincial say in how they are governed but also works to reduce the overlap and duplication that exists between all governments.

The department has been working diligently towards the first step, clarifying roles and responsibilities between federal and provincial governments. The provinces want to begin by restoring the authority for those areas identified within the Constitution as provincial jurisdictions. We aim to truly reduce overlap and duplication rather than just tinkering with existing programs and services. Let me be clear on this point: we are not talking about transferring large areas of jurisdiction from the federal government to the provinces. Rather, what we're seeking is merely a basic respect for the division of powers as laid out in the Constitution Act of 1867. Provinces were given responsibility for some very important areas of public policy: health care, social services, education being examples.

Over the next year we will pursue initiatives that will allow the provinces, who have the constitutional responsibility, both the resources and the flexibility to apply those resources to deliver programs and services appropriate to local conditions in a way that is affordable. It's important to note that this is a desire that transcends Alberta and in fact includes all provinces, both the have provinces and the have-not provinces.

One of the many areas that we've been involved in is the move towards social policy reform and renewal. As a member of the ministerial council I worked with my interprovincial colleagues to develop a report that addressed the needs of all Canadians in all provinces. The council recognized that provinces must be given the flexibility to manage the challenges of adapting the social safety net to the fiscal and policy realities of the '90s and beyond. The provinces reached a strong consensus on a number of issues, including the need to build a national, not just federal, approach to standards in key programs. Through this and many other initiatives – such as environmental management, fiscal arrangements, agriculture, trade, tax reform, health – we are working to ensure Alberta's positions are heard and represented.

Through the Western Premiers' Conference last year and through our efforts since, Alberta has been attempting to bring together all Premiers to discuss this rebalancing within the

federation: social policy reform and renewal and the future of Canada. As host of the '96 annual Premiers' Conference, which will be in August at Jasper, the ministry will play an important role in pursuing the social policy initiative and, depending on how events develop, possibly broader national unity issues as well. The ministry will also be involved in preparations for the mandated meeting of first ministers in '97 to discuss the constitutional amending formula. The Constitution Act of '82 sets out that that meeting must be held April '97. Given the current national unity context, that meeting may play a pivotal role in the future of the country.

As Alberta tackles these challenges, we place a great deal of importance on our Ottawa office, which is responsible for liaison with and briefing of decision-makers in Ottawa, Quebec, Alberta, as well as other provinces. Our presence in the country's capital has underlined the important role for Alberta on the intergovernmental front and in national unity discussions. The incumbent in that office, being fluently bilingual, has been an incredible advantage to us in our relations with Quebec, and I think we'll most certainly continue in that vein, being that my counterpart in the Quebec government is burdened with the same inability that I have. He's Francophone unilingual, and I'm Anglophone unilingual.

MRS. BURGNER: How did you get this job?

MR. ROSTAD: Actually, popcorn.

As well, the Canadian agreement on internal trade directly supports the national unity effort. We recognize that it is vital to remove barriers to trade between provinces to make this country stronger within its borders and abroad. By increasing our international competitiveness, this agreement will benefit all Canadians. The ministry will take a lead in co-ordinating Alberta's participation in the agreement. It will persist in negotiations to expand the scope of the agreement. It will ensure that the interests of Albertans and Alberta businesses are represented and will take an appropriate dispute settlement action for Albertans as required.

Our intergovernmental focus reaches far beyond our Canadian borders. Pressures of globalization have led to increasing international efforts to establish rules for international trade and investment. For example, in the last year the energy charter treaty was negotiated with Russia and other former Soviet republics to establish a firm basis for international investment in Russian oil and gas. This is, of course, very important for Alberta and for our oil and gas companies. Alberta is working closely with the federal government to get Canada to sign the agreement. Alberta is also fully involved in stage 2 negotiations dealing with procurement of oil- and gas-field goods and services, again of great importance and benefit to our Alberta companies.

Canada and Chile have decided to pursue a bilateral free trade agreement. Our ministry has worked closely with the federal government to identify Alberta priorities for these negotiations. We are focusing on investment rules for the energy sector as a number of Alberta firms are actively pursuing interests there. We are also pursuing agriculture product access as we see significant opportunities for our grains, oilseeds, and other agriculture products.

Canada is involved in formal dispute settlement procedures with the U.S. to resolve disputes on sugar access. Alberta is contributing to these discussions to support our sugar beet producers. This dispute panel will likely not proceed until the dispute on supply management is dealt with, which relates to our GATT or WTO commitment to tariffication.

The NAFTA dispute resolution panel is under way on Canada's import protection for supply-managed products. Alberta has advocated a comprehensive bilateral agricultural settlement to avoid ad hoc disputes. What I mean by that is that rather than just being picked off on a daily basis at almost the whim of somebody saying, "We have a dispute here," if we could sit down and have a bilateral agreement covering all of the agriculture area, we think we would be able to offset many, many of these disputes.

Alberta was involved in the negotiations to resolve the softwood lumber dispute with the U.S. We reached an agreement in principle, which concluded 14 months of consultations. The details on the Alberta-specific measures are not public and are still being finalized because the negotiations up to now have focused on the major lumber-producing provinces, B.C. and Quebec. The agreement with the U.S. will be completed and implemented, hopefully, by April 1, 1996.

New international negotiations are starting in the OECD on a multilateral agreement on investment. These negotiations, to last two years, are to establish international rules for investment, to create greater stability and investor confidence, and to reduce investment disputes, all objectives shared by Alberta. As implementation of the terms of the agreement may involve provincial jurisdiction, we're working with the federal government to set Canadian priorities.

In addition, the World Trade Organization ministerial conference will be held in December '96 to discuss new multilateral trade negotiations. The issues which are on top of the agenda deal with matters of provincial authority, and we will be co-operating with the federal government to prepare positions and ideas for this conference.

Under the existing WTO agreements, negotiations are under way to expand the coverage of rules applying to government procurement. If the negotiations are successful, Alberta exporters will have access to more government purchasing in the U.S. and other countries. At the same time, Alberta will have to live by the international rules which will be established regarding the size of contracts and coverage of the various departments and agencies. We again are working with the federal government in these international negotiations.

As can be seen, international agreements increasingly require the province to consider and implement agreements. This is why we will continue to expand our involvement with the federal government in the negotiating processes. Last year we put legislation in place to allow the province to improve and implement international agreements when they do cover areas of provincial responsibility. Our department also plays an important role in supporting the government's overall international economic strategy. By working with foreign governments, we are able to contribute to Alberta's export and investment objectives in key markets around the world.

One is a primary market, the United States. We are working with PNWER, and through PNWER and the Montana/Alberta Boundary Advisory Committee and the CANAMEX transportation corridor, we think we are making great headway. In Asia we're working with Hokkaido, Japan; Heilongjiang, China; and Kangwon, Korea. In new emerging markets we are working on governance with . . .

**3:46**

THE CHAIRMAN: Hon. minister, your time has run out. I am sure, at least I hope, that you'll be able to finish your remarks. You told me that you would be 10 minutes, and I said to somebody that you'd be 10 minutes. They said: when you're a lawyer,

you triple that. So I can see that they were right.

MS CARLSON: I look forward to hearing the rest of the minister's comments sometime this afternoon.

Mr. Chairman, just in terms of procedure, will you be alternating speakers? When it's 5:30, we're done with review of this ministry?

MR. ADY: At 5:15.

MS CARLSON: At 5:15?

THE CHAIRMAN: Yes.

MS CARLSON: Okay. Initially, we agree with the mission and mandate of this department and have never had any concerns about that, Mr. Minister. Our concerns, as always, are with the process by which the mandate is carried out. In our role as the Official Opposition and the watchdogs of government, then, we occasionally need clarification and a number of questions to be answered so that we have more information in terms of where your department is going. So that will be the context that I'll be asking my questions in.

I'd like to start with the government and lottery fund estimates, page 242, where you've got the business plan summary. You talked to some extent in your opening remarks about the policy recommendations and strategies on national unity and constitutional issues. My first question is with regard to the Premier's recent trip to Quebec and his discussions with Bouchard there. Was that a recommendation that came out of your department? We're concerned that some of the fallout from there would be that one of our recommendations may have been placed in some jeopardy, which was that Alberta should be granted a parliamentary veto over natural resource matters, acknowledging any concern that Albertans have for these issues within the context of Confederation. So if you could address that concern, we'd appreciate that.

MR. ROSTAD: Could I just get the first part about the meeting?

MS CARLSON: Was it authorized? Was it recommended by your department? That was our concern. In following that, we felt that Premiers outside of Quebec and the federal government should have a co-ordinated approach in dealing with Quebec before any Premier unilaterally steps out and begins negotiating with Bouchard. So your comments on that.

We felt that if the Premier went, the emphasis should have been on communicating directly with the people of Quebec rather than with a Premier whose mandate it is to separate. We had some concerns that that meeting might have undercut the federal position and further legitimized Bouchard's separatist position in Quebec. We would think that the right thing to do here would be a co-ordinated approach amongst the other provinces, and I wonder what your department is recommending to the Premier in that regard.

On that issue too, was it a recommendation of your department that the executive director there in Ottawa attend the swearing-in ceremonies of that Premier in Quebec? It does seem to give some legitimacy to his position in terms of what their role should be in Canada.

We move down to promoting changes to improve the federal system. I read in the appendix and later on in the agenda what some of the initiatives were, but it seems to me that in talking to people from your department, they're not all included in here.

Could you expand on for us what initiatives you're taking forward and how you're actually measuring those that are successful and those that aren't, what kinds of benchmarks you've got in place there?

When we talk about assisting

in advancing Alberta's position on the need to improve the efficiency, effectiveness and accountability of programs and services in areas where both federal and provincial governments are active,

what specifically are you doing in terms of monitoring the effectiveness of this? I think there are quite a few very good measures here that talk about improving efficiency, and you spoke to those a great deal in terms of the outside review that you had with the consultant. We'd like to know how you're going to be measuring effectiveness.

When you talk about negotiating "to broaden the scope and coverage of the Agreement on Internal Trade," it's not clear in here what needs to be broadened. So if you could give us some information on that, we'd appreciate it.

When you talk about co-ordinating "Alberta's role in discussions with the United States regarding softwood lumber," I'm sure this department is aware that there is a person in our caucus, Mike Percy, who is well known and well respected in that industry and has spoken throughout Canada and North America on this issue and is regarded by people on both sides of the border as an expert. I'm wondering why you're not utilizing his services. I'm sure he'd be very happy to co-operate in that regard.

When we talk about refocusing the relationships with the Pacific Northwest Economic Region and Japan and China and Korea and Russia and Montana, my only concerns are the similar concerns that we had when the minister of economic development was here. That is that in some of these overseas areas there have been great problems with Canadian companies actually collecting their moneys. Are you working in your department to establish any sort of criteria or backup for those companies who seem to be falling through the cracks? That's of some considerable concern to us when we have companies who are doing business and moving forward and who in the end may not be able to collect for their services.

When it comes to international trade, what are we doing in joint co-operation with the federal government in this area? In their current budget there were some strides made to improve relationships and provide some support to companies that are involved in international trade. I'm wondering how your department co-ordinates with those efforts.

When we talk about the highlights on the next page, page 243, in this department you made some massive reductions over the last year. I was happy to hear that you had an outside consultant in who interviewed key clients and that you made some progress in terms of that strategy, because an overall 55 percent reduction in FTEs would indicate that either there was a real slash-and-burn policy or that this particular area had a lot of overlap and duplication. So with regard to that, I'm wondering about the structure. Of the people that you laid off, you stated that about half of them were in managerial positions. But with the number of people that we have left, it still looks a little management heavy to me: three ADMs, an executive director, and then an executive director in Ottawa. It looks like they've got quite a bit of senior . . .

MR. ROSTAD: I'm sorry; did you say three ADMs?

MS CARLSON: Yeah. Is that not correct?

MR. ROSTAD: There was one ADM.

MR. HENRY: They're now called senior managers.

MS CARLSON: They're now called senior managers?

MR. ROSTAD: They always were. They should never have been called ADMs. They were never officially ADMs.

MS CARLSON: Okay. Could you provide the breakdown, then, in terms of management levels within the department and the salaries, too, for those folks, if you don't mind? That would be helpful for us.

Now, I'm wondering, in this restructuring, what services specifically are being consolidated. You talked to us about the administrative centre being consolidated with the Executive Council in your opening remarks, but there still seems to be – and perhaps when you tell us what the different management levels are – a senior corporate adviser. I'm not sure what they do and what capacity they would have within the department. [interjection] Corporate adviser. And what happens with human resources? Do you still have a human resource department or is that part of what's moving over to Executive Council?

3:56

Your client satisfaction. We see ourselves as clients of your department as well and would like to be included in surveys that you do. I think that would be an interesting concept. You talked about the Premier as being the major client, and there's some reference here to outside, private-sector clients. Within the government, when you talk about clients, are you talking about other ministries?

MR. ROSTAD: Yes.

MS CARLSON: Yeah. Would that be it then? That's all: private sector, other ministries, and the Premier?

MR. ROSTAD: Well, we serve the government generally as a ministry. The Premier, being the leader of the government, has certain initiatives. Then of course it's departments – agriculture, economic development, et cetera – and then private companies in the sense of . . .

THE CHAIRMAN: Hon. minister and hon. Member for Edmonton-Ellerslie, we don't really go this way. If you have questions, I'm hoping the minister will take down your questions. It seems like we're left out of the game here.

The hon. Member for Edmonton-Ellerslie.

MS CARLSON: Sorry. I'm trying to save the support staff time and paper that will go into answering some of these questions. I don't mind him taking up some of my 20 minutes.

When we talk now about the full-time equivalents – and you're going to give us a description – can we have just a tiny, one-line job description of those positions as well?

I'd like to speak for a moment about the severance packages for those people who have left this department. This is the same question that I asked the Premier in Executive Council and the same one that I asked the minister of economic development. When people take a severance package and leave and don't come back to work for the government, that's one thing, but when they take a severance package and then come back on a consulting basis or in some other similar capacity in another ministry, I'm

wondering what your department's recommendation is in terms of that. We did get conflicting views from the economic development minister and the Premier on that situation.

I would now like to move to Agenda '96, the overview that's on pages 234 through to 239. Lots of these you nicely answered in your opening comments, so that saves me some time. You state in the overview that "the department's Ottawa Office plays an important role in advancing . . . intergovernmental priorities." You talked about some of that in your opening comments, but I'd like some more clarification of that. It's so far away from Alberta that we don't seem to have a clear idea of what they do. I'm wondering in that regard how you measure both the successes and the failures within that role. Are there benchmarks that are used there and here in that regard?

When you talk about meeting government priorities and the three core businesses being "people, prosperity, preservation," I'm wondering what the game plan is on issues and how you develop them and who has the final say. The recommendations come to you, I would assume, and then to the Premier. If you could verify if that's the chain of command and how often things would just be acted on by the department without any sort of overview from yourself or from the Premier.

Have you to date clarified what the Alberta position will be in the unity issue? When you get to the annual Premiers' Conference, Alberta will be assuming the chair, and I'm wondering what kind of conflict of interest that may put you and your department in and if there's going to be some sort of negotiations with other provinces to come forward with perhaps a western Canada platform or something other than just one provincial platform.

How are you influencing the policies of other governments on the services offered to the people when you talk about that under "people, prosperity, preservation?" We need to know, I think, exactly what that means. If you've got services that you're working with in terms of other governments, either federal or the provincial ones, can you give us that list? I think that would help us understand what the actual objective is that you're trying to get to.

When you talk about "international relations conducive to increased trade and investment and greater prosperity," how do you measure that? How is that co-ordinated with economic development? I know that in your answers last year you also stated that there was really no overlap and duplication in those areas, but it still seems to me that there is a little, and I'd like to know how those efforts are co-ordinated between the two of you. What criteria do you use there for starting projects and for abandoning them or ending them? Ending would assume that it would've been a successful completion.

On the following page, can we have examples of your integrated corporate policy? It's interesting that what the mission states here is:

coordinating Alberta's intergovernmental activities where an integrated corporate policy perspective improves the Government's position.

There's no mention here of people. So we're wondering how they would fit into . . . [interjection] Oh, that's at the top of page 235, under the mission. It's the second point there, how people fit into that integrated corporate policy. It just seems strange to have a government department talk in terms of a corporate policy.

We get to the goals and strategies. I'd really like you to define "vigorously assert" when you talk about "constantly and vigorously assert Alberta's long-term interests as an equal partner in Confederation." That's sounds a little confrontational. If you could define that, that would help a lot because I don't think it's

your intent to be so, but it certainly could be read that way.

Can you tell us what you see in your vision of an "improved federal system?" Was that a part of the discussion of the Premier with Bourassa? There was never any indication to us that it was, so we'd just like to have that clarified.

When we go down to goal 2, one of your goals is to work toward a restructured federal system which more clearly defines the role of government, reduces intergovernmental overlap and duplication.

Obviously you've done lots of restructuring in the last year, and it seems to me that that was one of your goals. Can you tell us how much you've saved and the areas where you could reduce the duplication and overlap?

That brings to mind the Alberta corporate tax collection, the provincial tax. I know that at some point in time you had entered into negotiations to hand back the collection of the provincial tax to the federal government, and somehow those discussions got stalled. I'm wondering: are they going to be reopened? It does seem that that is an area where we have a lot of duplication in infrastructure. In line with that, I wouldn't mind the minister's opinion on the federal budget in the areas where they talked about reducing some duplication and overlap, particularly with revenue collection and administration, because that would seem to tie nicely into consolidating the Alberta corporate tax collection.

Then regional objections on reducing the trade barriers. What's happening there? What's your role in that? There seems to be three or four different ministries that have some degree of involvement in reducing trade barriers, and I'm wondering what role FIGA plays and how you co-ordinate with the other departments and whether we're actually making progress in this regard.

#### 4:06

With that in mind, I have to speak just for a moment about PNWER and what I think is quite an outstanding role that your department has taken in that regard. One of the ongoing discussions there always is about how much easier it is to trade north and south in this country than it is east and west. So I would seem to think that that would be a primary focus for some ministry, perhaps yours, and I would just like to have that clarified.

The following page, page 236, goal 3. When you talk about working "toward a more efficient Canadian market in order to enhance competitiveness and encourage investment (for instance, enhanced mobility for occupations and professions . . .)," exactly what role do you have in that? Does that mean that soon doctors who are trained in another province will be able to come and work here and those trained here will be able to work in other provinces without having to requalify, and not just doctors but all other professions? Is that what you mean by that statement, and if not, could you clarify it for us? Is there some sort of time line on that? Because it would seem to be something that in the kinds of moving economies we have would be very important.

In that area, too, once again, how are you co-ordinating with economic development in promoting trade and dealing with trade issues and the trade missions and who hosts what? It seems to me that the hosting fees or moneys spent on many of these missions seem to be broken up into a variety of departments after the mission is over for expense purposes. Some go to FIGA, some go to economic development, and, depending, they sometimes go to other ministries. I'm wondering how that's determined and whether those amounts can be tabled for us. [Ms Carlson's speaking time expired] I have lots more, so hopefully I'll get another chance.

THE CHAIRMAN: Thank you, hon. member.

The hon. minister of advanced education.

MR. ADY: Thank you, Mr. Chairman. To the minister. In your comments you talked about the ministerial committee on social policy reform and renewal and that you're a member of that committee and have participated in the report that that committee prepared at the behest of the Premiers of the provinces. I'm interested to know what the status of that report is. It seems like it's the worst-kept secret in Canada. If I remember correctly, although it has never been made public, I think there was a copy tabled in our Legislature. I have interest in it because of responsibility of my department for labour market training, and that's dealt with in that report. Is it the process that that report will not be acted on until after the next Premiers' meeting and then it would be presented to the Prime Minister, or could you give me some background or information on what happens next with that report? I have to tell you that as ministers we discussed it at a meeting in Toronto a week ago. So, again, it seems quite public, but it's not. So what can you tell me?

Maybe I should ask both of my questions. The other one is on a different subject, and that has to do with the Montana/Alberta boundaries commission. As you probably are aware, there's not been a meeting on that for a couple of years. Historically, we've taken turns hosting the meeting, Montana one year, Alberta the next, and we've had some, I think, very beneficial things that have flowed from that committee, primarily in the areas of agriculture and transportation. I know that because of the relationship that developed through that committee, we were able to head off a distasteful circumstance at one of the grain depots in Montana a couple of years ago, which could have turned out to be much worse than it really did.

My point in bringing it up is that just because Montana has not called a meeting – the information that I get is that it's not because they don't see the committee as beneficial. It's a budgetary pain that's causing them to not take their turn. My request is to the minister that he not strike this from his budget in future years, not that I'm looking for more work to do as chairman of that committee, but I do believe that there are some very beneficial things that flow from that by keeping the communication open between our neighbouring state and the things that are usually on the table for discussion.

So I'll leave those two questions to the minister to respond to.

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

MR. CHADI: Thank you very much, Mr. Chairman. I, too, have some questions, of course, for the minister, and I'm pleased for the opportunity to ask them. I know that in Executive Council the other day I was hoping that I could perhaps maybe deal with some of the concerns that I had, but it didn't appear to be the forum, although it seemed to me that they were related in many respects.

Again, the Member for Edmonton-Ellerslie alluded to the fact that there seemed to be some overlap with economic development. Obviously, there would be with respect to trade offices, et cetera, and the work that you do in your department in dealing with governments outside of Canada as within Canada.

My questions this afternoon relate to overlap and duplication and the concern that we've all had over the last number of years about trying to eliminate as much overlap and duplication as we possibly could. I know that the Premier has stated on many occasions that his primary concern was to cut the fat. It seemed that a great deal of the fat within the system was embedded within overlap and duplication from all levels of government.

There are a couple of areas within this province, I think, dealing with the federal government and your department where we could maybe eliminate some of that major expenditure, as I see it. I want your thoughts on it. I notice that not only in the throne speech do we mention a strong Alberta and a strong, united Canada and the elimination of overlap and duplication; indeed, within your business plans you talk about it as well.

A couple of areas of concern. One is the AOC and the Federal Business Development Bank. It seems that there's a great deal of overlap and duplication there. I'm wondering if you have had any discussion with the Provincial Treasurer or parts of the federal government to see if we couldn't amalgamate the two in some fashion. There was a great deal of expenditure that went on with the Alberta Opportunity Company over the past number of years. In 1995-96 alone it seems that we dumped a further \$27 million from general revenue. Over the years I believe it's accumulated close to \$100 million. I'm not sure as to the amount this year, although the estimates of economic development talk about \$8 million more.

I bring this concern to you because I'm well aware of the role of AOC and the role of the Federal Business Development Bank. The mandates of the two are so closely related. We've often heard, all of us, Mr. Chairman, that there is only one taxpayer. That's you and me and everybody in this province and throughout Canada. Why is it that we have one level of government competing with another level of government? Why is it that we not only compete for that same client, but we actually go out and advertise against one another? You look at the advertisements in any weekly or daily newspaper throughout Alberta and chances are that you will find an advertisement for the Federal Business Development Bank, although they've changed the name now, as you will for the Alberta Opportunity Company. They were always labeled as lenders of last resort, lenders that would do business with you when you were turned down somewhere else. Provided you had a good idea and it made some sense and your business plans made sense, they would step in. You needed, I believe, two or three letters of rejection from major lenders, and that would qualify you to get in and negotiate with any one of these agencies.

It seems to me that the amount of money that we continue to feed the Alberta Opportunity Company can go to a lot better uses, perhaps maybe reducing our debt, especially given the fact that they do the same things. It seems that we could probably sell off our assets of AOC to FBDB, and I know full well from discussions with different people within FBDB that they'd be very interested. I'd be interested to hear what your thoughts are on that.

#### 4:16

The other area, of course, is the corporate income tax collection, and that is something that the Member for Edmonton-Ellerslie brought up as well. The reason that I bring it up again is that for the two and a half years that I've been in this Legislature, I think it's one area that I have brought up time and time again. I believe it was with the Provincial Treasurer meeting before the heritage savings trust fund and the Provincial Treasurer meeting before Public Accounts that I brought this up, as well as with the Premier before Public Accounts. He seemed very interested in the prospects of us trying to get the federal government to take over this collection.

Now, I believe that this collection of tax came about by Alberta in the early '80s or late '70s. Looking at the Provincial Treasurer's estimates, it seems to me that the cost to Albertans is probably in the range of \$15 million annually. That is just in one

category called tax and revenue administration. I suspect there's probably more imbedded within the Treasury estimates. But let's take that figure of \$15 million alone right there. Bear in mind that no other province, with the exception of Quebec, collects its own taxes. That money, I suspect, could be a further saving, would be one that your department could, I'm sure, facilitate or mediate between the Provincial Treasurer and the federal government.

I notice that that Provincial Treasurer on many occasions has traveled to Ottawa and met with his counterpart, and I really thought – I've written letters to the Provincial Treasurer; I've written to the federal minister; I've written letters to the editor on this very subject. I find it incredible, given the fact that we continue to be in an expenditure reduction mode here, that we would allow egos or personalities to get in the way. The reason I say that is because a couple of years ago, perhaps even closer to a year ago, in talking with the Provincial Treasurer, I asked him that very question, whether or not he had in fact spoken with his federal counterpart to try to resolve this matter. He said that negotiations had come to a loggerhead, that he couldn't make it happen. He suggested that perhaps maybe if I thought I could make it work, he'd be more than pleased if I could go down and try and deal with my federal cousin. I use that term because he used it. I would have thought that when we could save \$15 million, we wouldn't allow personalities like that to get in the way.

I know there has to be a deal there somewhere. In the federal budget – and I'm only going by news reports in today's media – they talk about a softer federal government willing to do whatever it can to eliminate overlap and duplication. Again, tremendous buzzwords for the '90s: elimination overlap and duplication. Goodness, I'm certain – I'm certain – that with your involvement, Mr. Minister, we can eliminate that expenditure. Not only eliminate the expenditure of \$15 million for the government; I look at every businessman in this province. There are many sitting around this table that would tell you – businessperson is perhaps more politically correct, Mr. Chairman; you should have corrected me. I'm certain that anyone could tell you that the costs involved in putting together two tax returns, one for Alberta and one for the federal government, gets to be not only monotonous but expensive: the duplication with respect to auditing, the duplication with respect to collection. It seems to me that not every single corporation submits a cheque when they send in their tax return. I know from experience. So there has to be a collection service there as well.

When I was talking to the Provincial Treasurer, I asked him, as well: how much does the federal government charge? How much would they charge us if they were to take on this task of collection? He said: there is no charge; there is no charge to the provinces. The only thing that the federal government would keep would be any interest on unpaid debt and the amount of time they took to collect it. That's why they would keep the interest on that money, but the actual funds would belong to the province, would be sent to the province. I can't imagine why we'd allow that to continue. That practice ought to be looked into.

Another area that I'm interested in hearing your response to comes from your opening comments. In your opening comments you talked about a "team-based structure." I would imagine you were talking about FIGA and a team-based structure for FIGA. I'm curious to know more about this team-based structure. I would hope that in-between time you would elaborate on that. Who would be involved in this team? Would it be a team of the employees? Would it be members of the Legislative Assembly? Would it be all-party? That sort of thing. I'm curious to know.

The two areas of overlap and duplication, coming back to that, that I spoke about of course are close to me, but you mentioned areas of overlap and duplication not only within the business plans but in your opening comments. I'm wondering as well: what other areas have you identified, and what are you doing to resolve the overlap in those areas between the federal government and the provincial government? Not only that, what areas have you looked at, if any, with the municipal governments? I suspect there are probably some there as well, if in fact that falls within your mandate. I'm not sure. Perhaps you can elaborate on that as well.

The business plans talk about a client survey. I was rather curious when I first read that. I listened to your opening comments about the client survey, and I listened back and forth to an exchange of questions and answers when you were given the opportunity by our chairman before he shut us all down. It was rather interesting that you spoke about the clients being government or being government departments, and you also suggested that there were perhaps some commercial clients in there as well. The question from me. You say that you did a client survey in 1994, and there was a satisfaction rating of 3.9 out of 5. I'm wondering how many of those clients that didn't give you a hundred percent were our own government departments and how many of those that participated in this survey were commercial clients, and a number in total. I'm wondering how many departments or corporations were involved in this survey.

**4:26**

Leading from that as well, I'm wondering: in the commercial sector alone, how many clients did you deal with? How many corporations did FIGA assist over the past year? I'd be curious to know if it's something that is widespread. I know there are many corporations that go and try to get assistance through economic development. I'm not sure if what you do in FIGA to assist those corporate clients, if we want to call them clients, is the same thing as what economic development would do. That's why I'm kind of curious to know. I know when I suggested to you that I wanted to make some comments in Executive Council or before the Provincial Treasurer or speak before economic development, I didn't. I felt it appropriate in those departments to say what I had to say, but, at the same time, for some reason I feel they're appropriate in this department as well, which leads me to believe that there's probably some overlap there.

Those are my comments and questions for now. I'd like to be able to come back and ask some more. I'd like to hear the minister as well.

**THE CHAIRMAN:** The hon. Member for Calgary-Montrose, and I hope he gives as good remarks as he did on the recall last night.

**MR. PHAM:** Thank you, Mr. Chairman. One of the most important issues facing our country today is the national unity issue, and I know it is also one of the things that your department is working on. Last October, like many of my constituents I watched the results of the referendum in Quebec coming in in a state of disbelief. Many of us knew that it was close, but none of us could predict it was that close, and in some ways we feel that we have been caught off guard. I'm just wondering: did we have any strategy meeting with the federal government and other provincial governments before and after the referendum? What went wrong with the federalist strategy pertaining to the last referendum? Also, what lesson have we learned from all of that?

[Mr. Magnus in the Chair]

Many of my constituents believed the Prime Minister when he said everything was okay and when he told us that the situation in Quebec was under control. After the referendum many of them had the question: are we being misled? The situation seems that it is not resolved; it is only deferred until a later date. For many of them, they feel that the threat is even bigger now than it was before the October referendum. I would like to have some of that fear eliminated. I would also like to ask: what measure are we putting in place to better prepare us for a future referendum in Quebec? If the feds and the Liberals in Quebec do the same thing that they did in the last referendum and tell us to stay out of it, are we going to follow their advice? Or are we going to take a more aggressive, more proactive approach to that situation?

While I am on the topic of dealing and negotiation with the federal government, I would like to know: what is the status of negotiations on the Canada health and social transfers? The budget was brought down yesterday. Many of us didn't have the time to go into the details, but the speech was very ambiguous and it left many questions. I'm sure that the details will come out gradually in the next few weeks, but if you can provide any information today, it would be very helpful. Yesterday's speech didn't mention much about the base closure in Calgary or the restructuring of the Department of National Defence in Alberta, but in the past it has been a concern of some Calgarians because of the base in Calgary being relocated to Edmonton. The question is: has the government of Alberta been working with the federal Department of National Defence as they restructure their operations in Canada now and Alberta?

One last comment I would like to make. I don't know if there is any employee performance review in your department, but if there is still that process, then I would like to put in a few good words for some of the employees from FIGA that I have had the opportunity to work with. Leanne has been very helpful to us at our office PNWER meeting, and she has done an exceptional job of keeping us prepared and keeping the working group for PNWER going. I would like you to recognize that hard work in one form or another, if there is a salary raise possible, or otherwise in the form of recognition for her contribution.

Thank you, Mr. Minister.

THE DEPUTY CHAIRMAN: Thank you.

The Member for Calgary-*Buffalo*, please.

MR. DICKSON: Thanks, Mr. Chairman. Good afternoon, Mr. Minister. A number of questions I wanted to ask you relative to the April 1997 constitutional conference, or at least the conference that has to be held before then. I'm interested in what your government is doing to prepare for it. I think everybody around the table recognized what happened with the *Charlottetown* accord: the widespread dissatisfaction with lack of public consultation. I mean, I think that's one of the lessons we took. It's one of the lessons that Joe Clark, who's a constituent of mine, certainly has given a lot of thought to. I guess because of that, I'm hopeful that the provincial government will come forward with some fairly concrete plans and consult as widely with Albertans as possible in advance of that 1997 constitutional conference.

Given that observation and that perspective – of course, I'm interested in whether you share it, Mr. Minister, but I'm interested particularly in the current position of the government of Alberta with respect to asymmetrical federalism. You know, we continue to have this clash, if you will, between one notion of the country that says that we have two founding nations and that has to define our constitutional framework and, competing with that,

of course the other view which says that you have 10 equal provinces and you can't under any circumstances have one province having additional powers or rights or responsibilities than any other province. It seems to me that at least in 1996 asymmetrical federalism offers certainly one way of trying to deal with those two competing views of the country. It may be done in different ways, but I'm interested in the current thinking of your ministry and your government on that question of asymmetrical federalism.

THE DEPUTY CHAIRMAN: I might remind the Member for *Calgary-*Buffalo** that these are estimates we're reviewing rather than a policy hearing.

MR. DICKSON: Mr. Chairman, I understand the observation, but it's been made clear, at least in the other subcommittees I've attended, that the business plan summary is an integral part of the estimates themselves. Now, if we're taking a different tack here, you can advise me, but I thought I had licence to deal not only with the numbers but with the business plan, which in fact is included in the estimates booklet. A key part of that, in fact the first starred item for major strategies, is to “develop Alberta policy recommendations . . . on national unity and constitutional issues.” It seems to me that if the government is developing them, it would be a reasonable question to ask whether they'll share that with Albertans through the agency of members of the Assembly.

4:36

THE DEPUTY CHAIRMAN: I appreciate the comments, and I'm prepared to be quite liberal in this, but I'd like some kind of connection somewhere to estimates.

MR. DICKSON: Well, just so I can be more specific, Mr. Minister, page 242 in the large estimates booklet is what I'm referencing, Mr. Chairman, specifically the first star under the heading *Major Strategies*.

Just moving on from that, not only am I interested in the specific position put forward by the government on asymmetrical federalism, but then the second one would be the amending formula. This is something that I thought, Mr. Minister, we were moving to perhaps even a national consensus on. I'm not sure where we're at nationally, but I'm interested in the specific position of the government of Alberta on the amending formula.

The other thing, Mr. Minister, is that I'd ask for you to clarify the position of your government with respect to the proposal that has been made for a veto reposed in the province of Alberta dealing with natural resources. This would be a veto in, effectively, the House of Commons, much in the fashion that there was a veto offered to some other provinces relative to issues that are important to them. The thing that Albertans get most focused on is protection of our natural resources. That's been the battleground for many constitutional conflicts between this province and the federal government. So I'm hopeful that we'd have the considered position of your government, sir, on that key item.

You reference at page 242 also – this would be the second star, Mr. Chairman, under the *Major Strategies* heading.

THE DEPUTY CHAIRMAN: To the Member for *Calgary-*Buffalo**, I appreciate your connection, by quoting the page number, that you're reading this out of the business plan. But, again, this is the estimates; this is not a policy hearing. Your questions are entirely policy, as I see it, so I would really like to see a connection there somewhere.



MR. DICKSON: Mr. Chairman, are you suggesting that if I don't refer to some element items, it's inappropriate to deal with the business plan summary which appears in the estimates book, which is the basis for all of the number allocations?

THE DEPUTY CHAIRMAN: I think it's fair to say that we've all sat in these hearings many, many times. As a matter of fact, just prior to coming back in the room and relieving the actual chairman of this committee, we discussed that the questions were in fact a lot closer to estimates this year than they'd ever been in the past, but there seems to be a sudden shift somewhere here. I'm quite sure that you, having been in these committee meetings many, many times, are quite aware of where I'm driving.

MR. DICKSON: It's partly because, Mr. Chairman, it's a small budget. I expect that the elements have been the subject of considerable scrutiny and discussion. I'm interested and I think my constituents are interested in exploring the major strategies that in effect taxpayers are paying for. I took some direction also from the hon. minister, who commenced his presentation with a discussion less of elements but very much of the philosophical positioning of his department and the things you were hoping to achieve. [interjection] With the assistance of the deputy opposition leader, if one looks at page 244 of the estimates, intergovernmental co-ordination and research, there is an item there of \$5,084,000 that relates to the estimates.

THE DEPUTY CHAIRMAN: In the interests of moving along, we'll just keep going right now, but as I say, it is a fair warning.

MR. DICKSON: Well, Mr. Chairman, I take your observation, and I'll proceed.

The 37th annual Premiers' Conference is going to be hosted by this province – I think you said in August, Mr. Minister – and I'd like you to advise what the expectation is will be on the agenda. You sort of referred to this tangentially. I would assume that now you would have a reasonably concrete notion in terms of what specific things are going to be on the agenda. That will be subject to change, and I recognize that. But I'm interested in terms of, at this point, what your office is planning for.

Mr. Minister, one of the things that you referred to was co-ordination and communication between the other levels of government, between other provincial governments and the federal government. I'm looking here at the third star under the heading Major Strategies on page 242. We can reference that and as well the second star and the fourth star in the major strategies item. I have watched with some interest, as you have, Mr. Chairman, the federal/provincial/territorial consultation on family law reform. You in fact had a key role in that in your former capacity as Justice minister. My concern: what steps are going to be taken through your office, through the FIGA office, to ensure that there's a broader consultation with Albertans?

I'll give you a specific example. We're seeing the federal government unveil a brand-new child support strategy and much discussion about amendments to the federal Divorce Act. Well, this is put forward as a product of the federal/provincial/territorial working group on family law reform. You know, there are an awful lot of Albertans that are going to be impacted in a very huge way by changes to child support guidelines, to custody access provisions in the Divorce Act. It may be a federal statute, but we have – what? – about 8,000 divorce petitions every year in this province. That's a big concern.

What steps is your department taking to ensure that not just your colleague in Justice but your colleague in Family and Social

Services and your colleague in Health are getting and soliciting the widest possible kind of public input before your colleagues go off to this committee and meet? Then we get the legislation and the decision at the end of the day with not often a lot of opportunity for input. That's a specific concern I've got. This concern has grown as I've seen what's happened with the child support, the family law consultation. What I'm attempting to say, perhaps in an awkward and sort of circuitous way, is that we have to have more public input. More Albertans, not just selected stakeholders, have to be able to have input in that. I know there's been consultation with women's groups. I know there's been consultation with selected family law lawyers and some family court judges and so on, but to me that's not the kind of broad-based consultation that I think has to and ought to happen in this province. I'd like to know what your plans are in that respect, Mr. Minister.

The other concern. I don't know exactly what projects your office is looking at under bullets 3 and 4. You touched on some of them at the outset, but I didn't take that to be exhaustive. I thought that was to illustrate some of the things that your office is working on. If that's the case, then I would ask you, Mr. Minister: is your office specifically looking at some kind of a leadership role in promoting national standards to protect personal data, personal information?

4:46

The other day we had a Bill debated in the House that dealt with protection of personal data in the nongovernment sector. In the course of that debate reference was made to a federal study that called in the strongest possible terms for a national approach to privacy protection and an acknowledgment that a single province can sort of work at the problem from the margins but only from the margins, because so much of the data-sharing and data-matching goes on between financial institutions, insurance companies that have a national scope of operation. I'd like to respectfully suggest, Mr. Minister, that if this isn't seen as a priority by your office, this is a wonderful opportunity for this province to assume a leadership role, and with the support perhaps of the Privacy Commissioner's office in this province, this government could do the same sort of thing we've done with the Ombudsman Act in terms of actually leading the country in this respect. So I would like that kind of direction in terms of whether this is something you've worked on and, if you haven't, whether this is something you'd entertain as an initiative that you would promote with your counterparts across the country and at the federal level.

[Mr. Clegg in the Chair]

I'm always curious, Mr. Minister, when I see, as I do at page 243, this reference to "client satisfaction." It sort of raises the question of who your customer is. You reference "other government departments" – and I guess that would be obvious – and then you say "with the business community in achieving its objectives." Well, do you include in there women's groups, men's support groups who also feel that they have a legitimate interest as a stakeholder, a recognized stakeholder, in what happens for example with child support guidelines? Have you gone to those groups to solicit feedback in terms of whether they think the federal/provincial/territorial consultation and your department's role in that has been positive and has been satisfactory? Has it met their standards?

I think that to refer to, as you do on page 243, the business community and other government departments ignores every other

stakeholder in all of the other issues that you talk about in bullet 3. In bullet 3 on page 242 under major strategies you give the examples of "environmental management, social policy, fiscal arrangements." Well, in each one of those areas, maybe save for the fiscal arrangements, social policy and their environmental management, business has less to say about those things than these other advocates and people involved in social policy development. So if you follow my reasoning, sir, we would be anxious to see those people contacted and canvassed for input as well.

The other questions would be: how many freedom of information formal requests has your office received? How many have resulted in information being supplied, and it follows, how many FOIP requests have been refused? Since each department has been encouraged aggressively by Ms Kessler and people in Public Works, Supply and Services to try and get information out informally without having recourse to the Act, I'm interested in knowing how many informal requests for information have been responded to by your department. I'd like some kind of a success/failure statistic both in terms of formal and informal requests from people who want to find out what you're doing, Mr. Minister, and what your department is doing.

The other specific concern I would raise. There's a large number of Albertans that are still looking forward to the day we will have a unified family court. You're in a unique position because of your experience at the bar, your experience as a former Minister of Justice, and now the man responsible and able to initiate broad-based, national discussions. I'm wondering whether a unified family court is one of those initiatives that are referred to in bullets 3 and 4 on page 242. You will appreciate the need perhaps for some significant constitutional change, at minimum some pretty strong co-ordination with the federal government, to be able to create a unified family court or, for that matter, a unified criminal court in Alberta. I'd like to know firstly: is that on your project list? If not, why not? If it is, then I'd like a status report to know specifically what your office has done and what you plan on doing, let's say, in the next 12 months to see those projects through to fruition. I'd remind you that the Law Reform Commission has made two I think compelling reports urging that we move in the direction of a unified family court. You will be familiar with those, and now you have this unique chance to be able to move that along. So I'd like that sort of information from you.

You talked about reducing the number of staff from 79 to 55 full-time equivalents. There'd been a concern in the past in terms of, you recall, much interest in the notion of four associate deputy ministers and so on. I may have been in the other committee, and maybe that's already been dealt with, but I'd sure be interested in knowing not just your overall reduction of 79 to 55 but whether we still have four assistant deputy ministers with an average salary of \$96,947.

Now, the other question I had, Mr. Minister . . . [Mr. Dickson's speaking time expired] I guess I'll have to find another opportunity.

Thanks for your attention, Mr. Minister.

**THE CHAIRMAN:** The hon. Minister of Federal and Intergovernmental Affairs.

**MR. ROSTAD:** Thank you, Mr. Chairman. Let me quickly try and answer a few of these and then get back into some more. Some of them I won't be able to answer obviously because they require more information than I'm going to be able to present now, but I'd like to hit or miss on some of them. Perhaps I could start with the most latter, the Member for Calgary-Buffalo. He

had many, many good ideas of things that can be done and worked on with other levels of government, but I think there's a pretty serious misunderstanding in the mandate and how this department operates. We are a policy department. We deliver no programs, and in fact that was much to the chagrin of all members as well as the minister. We have one vote, one program. It breaks down to about five elements, and that's it. That's also why we have the staff we have.

Two things: I guess the experience and long service that are there but also just the knowledge base of the people. You're going to have much, much more so-called – and it's a nomenclature out of the public service whether you call people managers or whatever. I'm probably sticking my neck out, but in fact about 90 percent of them don't manage anybody. They manage their job, but they don't manage anybody. It's a misnomer in that respect because they're policy development people. Through that process we have obviously gotten more senior people, because usually the juniors don't have that capacity at that time. We have a few of them that we bring on, and hopefully they develop into strong people. But our mandate really comes from what other departments ask us to do and discuss with other levels of government.

**4:56**

Yes, we can take initiatives. I can go to the Minister of Justice – and I'll use the case of Justice, being my most recent portfolio and the Member for Calgary-Buffalo's interest – and talk about things with him. We'll just take the family law reform initiatives. I don't have a mandate to go on my own initiative to the federal government and say: let's work on this. I have to have that mandate from that minister to go and carry it forward, or he will do it on his own. I'm not saying we wouldn't have an interest and the ability to maybe help in those areas, but we don't have that authority. We are a policy development department, not a functional department, and we don't have the authority.

Probably an example is in relation to the Minister of Education and his question on the social policy reform paper. That is the worst kept secret I think existing in Canada and for a reason: because the Premiers have not gotten together and in fact endorsed it and publicly put it onto the Prime Minister. But it's out, and everybody's got it.

I sat as a representative of our government on that committee. There were a few other intergovernmental affairs ministers that were there. There were some ministers of health. There were some ministers of family and social services, or the equivalents, from various governments. But my mandate at that was to take down a co-ordinated position from our Department of Health, our Department of Advanced Education and Career Development, our Department of Family and Social Services to work out a, hopefully, unanimous – and it turned out to be unanimous – provincial position on how we might approach social reform in Canada. It's purely an approach. There was no policy on that thing at all.

I only went on behalf of those ministers with a co-ordinated view from them. I couldn't go down and strike off on behalf of our department and say: that's where we're going, and this is what we're going to do. I don't know if it's a misunderstanding that perhaps the Member for Calgary-Buffalo has about what the mandate of the department will be. It's definitely there to promote, but I have to get the authority first to be able to go down and promote or work out that initiative. So just to put that into context, I think it answers some of the other questions and why we aren't doing it.

If you take the overlap and duplication, which has been throughout, I think a couple of members perhaps related overlap

and duplication to overlap and duplication within the department in terms of staffing and that kind of stuff. In that context, that's been certainly eliminated, if in fact it existed at the start. But overlap and duplication within the governments hasn't been. I think we've tried to clear that within our own government. Vis-à-vis the examples I gave on page 242 of environment management or social policy or fiscal arrangements, these are between governments.

In fact, we've had agreements. Mr. Massé, president of the Treasury Board, former intergovernmental minister federally, my equivalent, struck agreements with each province two years ago setting out a work plan for overlap and duplication and had them sign. We didn't sign and Quebec didn't sign. We didn't sign for two reasons: one, he would not include manpower training as an element of it, and second, he would not put equity in there. That was on the basis that if you were going to take something away or give something to someone, you had to at least take it away or give the opportunity to receive it to everyone. Whether the person took it or not would be up to that government's determination.

They went back, and frankly just prior to them moving, they do have another agreement, which is in fact far better than the other agreements. Other governments will probably use that as a model that we could sit down and sign. We have had 11 items in that. Shared government support services, securities regulations, student aid, trust and loan company regulation, international business development, geological survey, pipeline regulation, agriculture financial services, fisheries management, environment management framework, and food inspection, just to give you the 11 different items that were being discussed and with progress being made in terms of removing the overlap and duplication. So that initiative is there, and we're working at it.

Again, I come back even to our mandate. We can sit down and discuss and try and prod the ministers. If I may use environment management as an example again, there was unanimous agreement amongst all the provinces on an environmental framework that will keep national standards – they're not going to dilute those at all – but streamline the process by which an enterprise might come before us and want environmental approval on things. There's unanimous agreement to this. For whatever reason, Ms Copps, the minister of the day, perceived it I think as a loss of power, as to who can do what or who has the power, which was not the whole idea of the thing. She whipped it off the table and would not proceed with the overlap and duplication. For those who know Ms Copps, I think it's difficult for anybody to tell her anything. I think the Prime Minister had that problem.

One of the reasons – not the reason – why we have a new minister is to try and move that along, because with streamlining and removing the overlap and duplication, ensuring that there are national standards, we will make it more efficient for the delivery of that and save the taxpayer, be it federal taxes or provincial. Again he, Mr. Massé, could not force his minister to do anything, as I don't have the authority to force my minister to do anything. We are a conduit and through moral suasion try and do it. So that's where we come from on that perspective.

Edmonton-Ellerslie, in terms of the meeting with Mr. Bouchard and where that initiative came from, frankly we helped co-ordinate it, but the Premier, as our leader, thought it would be a good idea to meet with Mr. Bouchard. He was going to Montreal for a meeting. It was discussed amongst other people as well. I mean, in the sense of co-ordinating with other Premiers, you don't necessarily as one government have to co-ordinate everything you do with another government. We didn't go down to negotiate. The Premier went down there purely to talk to him, to make it

very clear that we do not condone the separatist point of view, that at the table as part of Canada they will accomplish far more than they will by trying to leave. Mr. Bouchard has made some indication that as long as the Constitution is kept off the table, he will in all likelihood come and sit with other governments and talk.

In relation to the executive director and his being at the swearing-in of the Premier of Quebec, yes, he was there. He was there in two capacities. He was there because we suggested he go and, secondly, because he was invited. As I mentioned, he is fluently bilingual. Part of his job in Ottawa is government relations, and Quebec being down there, it's good to have a conduit to find out what's happening there and also for us to have influence in directing our policy relative to them. As I mentioned, Mr. Brassard is a unilingual Francophone; I'm a unilingual Anglophone, unfortunately. So it's good to have a director in Ottawa that is in fact bilingual and can be the conduit.

#### 5:06

In terms of softwood, as I related in my opening comments, there has been an agreement cobbled together, the details of which have not quite been finalized because the major discussion was between B.C., Quebec, and the United States, because B.C. and Quebec are our two largest producers.

I don't think anybody would question the Member for Edmonton-Whitemud's expertise in economics and softwood, but this isn't a matter of just economics. This is, frankly, a matter of negotiating between two levels of government on what you're going to give up or if you're going to give up anything, not on an economic basis. Frankly, it's probably more so a political issue in the United States at the moment than economics. There are, if there need to be, economic experts, but this is not for a lack of having the economic background on this, and I think it is done.

There was a question as to the companies that are working in Russia, China, Japan, whatever, that are Albertan or Canadian and their ability or inability to collect money owing and do we back them up. We don't back them up in the sense of protecting them and paying their money. We do utilize services, and usually it's us co-ordinating it with the federal government because the federal government are the people on the ground in these places that have diplomatic channels broader than ours to work it out. What we do in each of these instances as companies strike out to work in these new markets is forewarn them of the problems they can have and how they might protect themselves.

In fact, in Russia one of the initiatives we've brought forward and that we've endorsed and signed here and are waiting for the federal government to sign on behalf of Canada is the energy charter treaty, which sets out a regime in Russia to ensure there's a protocol for operating under the oil and gas initiatives in that country, some of which is about how you get paid and protecting you in that respect, not in the sense that the government backstops you but to try and protect you. We're hoping that'll be signed and help that.

There was a question on the joint efforts with the federal government and how we co-ordinate those. That's in a short time very difficult to answer because, again, it depends on the issue, the department, where it's come from. I can use again the social reform. We were co-ordinating amongst the provinces there. Once an initiative starts, we then will co-ordinate our efforts between our government and the federal government. I guess in any business it's often about the personalities as to how easy it is to co-ordinate. Quite often it's as easy as picking up the phone and phoning somebody and getting a ball rolling and not even relying on your bureaucrats. Other times you need a quite formal

mechanism to do that.

In any of the questions we can't get to today, I will undertake to get the answers, such as our management level breakdown, salaries, that kind of stuff. There was a question on what a senior corporate adviser is. Well, again, as a policy department we advise in certain areas that we have jurisdiction in, such as international trade policy, internal trade policy, or in some of the national unity things. We will give direct advice from our policy direction, in others, where we're asked.

There was a question in terms of corporate tax and whether we can collect it. The Treasurer's estimates are on Monday. I'm not avoiding this, but to the best of my knowledge there was a cost to it, not in the sense that the federal government would collect our corporate taxes. They would not keep it, but they want an agreement and to be paid for doing that, even though they do the personal tax. To the best of my understanding the Treasurer indicated that it would not be economical for us to do that.

We got into this thing because I think we wanted it as an instrument of policy on the corporate side to be able to use it in, I guess, diversifying our province back in the '70s. Frankly, we never used it for that. It is an impediment for private business in filling out the forms. In fact, I campaigned in the last election that we were going to remove it, and we were stymied in that. Coming back again to my initial remarks, I would be delighted to do anything I could to accommodate that, but I don't think it's a matter of another department having to get in there. The Minister of National Revenue and the Treasurer of Alberta are both fully aware of it. Everybody's aware of it. There's some sort of cost thing that won't make this economical. If I can be of any help, I'll definitely be that. I'll check with the Treasurer. Hopefully, Monday night you'll be able to check with him as well.

The status of the social reform paper I think I've answered. We're waiting. Premier Tobin is still the Premier - nationally there's one that's the chief Premier, if you want to call it that. He is still in that capacity until July. All Premiers have written saying that they support this, and we're waiting for him to deliver it to the Prime Minister. I can share with you that the Prime Minister and the federal government, who have had this paper from the time it was made, are enthusiastic about the initiatives that are in there and the modus operandi that can be there to author our reform of the social delivery.

In terms of the Montana/Alberta border commission, we won't strike it from our budget. In the event that there's any use of Montana coming to meet with us or us being down there and we don't alternate, we'd be more than happy to go back down there and meet with them.

The team-based structure that we have within our department is

not a team in the sense of an all-party committee or those kinds of teams. I'm talking about an administrative internal structuring. Rather than saying that everybody that works on I'll call it the constitutional side is just working on the constitutional side and not on the international side or not on the domestic side, we're trying to get generalists so we can pick people from various things that have some talents, put them together as a team, and put them to work on a particular issue. Once that issue is resolved in the sense of a policy developed, that team then disintegrates and is ready to move on to something else, even though they will be still stationed within their particular thing. So it's on an internal basis and not broadly.

Our clients are basically the government, because we are a government department. Our commercial clients may come on the basis of wanting some information on constitutional thrust or on international trade or on internal trade. We get corporate clients who come in if we're doing a mission, such as the Premier's mission to the Middle East. Those were some of our clients. Yes, they were economic development's clients in terms of a particular contract, but in terms of how to relate to another government, that kind of stuff, they're our clients. Those are the other clients.

With that, I guess we're finished. I'm delighted to answer any of these, and I'd be delighted to harbor on a private basis or any other time anybody's discussion in terms of our portfolio, where we're going and where we're at.

Thank you.

THE CHAIRMAN: Thank you, hon. minister.  
Hon. Member for Medicine Hat.

MR. RENNER: Thank you, Mr. Chairman. I have a couple of issues that I would like to discuss with the minister, but I think that in light of the timing, I'll discuss them with him at another time.

Mr. Chairman, at this point I would like to move that the subcommittee rise and report.

THE CHAIRMAN: The hon. Member for Medicine Hat has moved that the subcommittee rise and report. All in favour, please say aye.

HON. MEMBERS: Aye.

THE CHAIRMAN: Opposed, if any? Carried.

[The committee adjourned at 5:15 p.m.]