

## Legislative Assembly of Alberta

Title: **Tuesday, March 19, 1996** 8:00 p.m.  
Date: 96/03/19  
[The Speaker in the Chair]

THE SPEAKER: Please be seated.

head: **Royal Assent**

MR. DAY: Mr. Speaker, His Honour the Honourable the Lieutenant Governor will now attend upon the Assembly.

[Mr. Day and the Sergeant-at-Arms left the Chamber to attend the Lieutenant Governor]

[The Mace was draped]

[The Sergeant-at-Arms knocked on the main doors of the Chamber three times. The Associate Sergeant-at-Arms opened the doors, and the Sergeant-at-Arms entered]

THE SERGEANT-AT-ARMS: All rise, please. Mr. Speaker, His Honour the Honourable the Lieutenant Governor awaits.

THE SPEAKER: Sergeant-at-Arms, admit His Honour the Lieutenant Governor.

THE SERGEANT-AT-ARMS: Order!

[Preceded by the Sergeant-at-Arms, His Honour the Lieutenant Governor of Alberta, Gordon Towers, and Mr. Day entered the Chamber. His Honour took his place upon the throne]

HIS HONOUR: Be seated, please.

THE SPEAKER: May it please Your Honour, the Legislative Assembly has, at its present sittings, passed certain laws to which, and in the name of the Legislative Assembly, I respectfully request Your Honour's assent.

THE CLERK: Your Honour, the following are the titles of the Bills to which Your Honour's assent is prayed.

10 Appropriation (Supplementary Supply) Act, 1996

11 Appropriation (Interim Supply) Act, 1996

[The Lieutenant Governor indicated his assent]

THE CLERK: In Her Majesty's name His Honour the Honourable the Lieutenant Governor doth assent to these Bills.

THE SERGEANT-AT-ARMS: All rise, please.

[Preceded by the Sergeant-at-Arms, the Lieutenant Governor and Mr. Day left the Chamber]

[The Mace was uncovered]

THE SPEAKER: Please be seated.

In passing, I guess it would be fair to say that if a person had to choose a colour for a shirt that wasn't white, the Government House Leader chose a royal colour, at least for His Honour.

head: **Committee of Supply**

[Mr. Tannas in the Chair]

THE CHAIRMAN: I call the committee to order. Again the usual convention of only one member standing and talking at the same time. For those that need hearing adjustments, we will find a cord for them. Mr. Provincial Treasurer, here's one.

head: **Main Estimates 1996-97**  
8:10

**Economic Development and Tourism**

THE CHAIRMAN: As this is a designated supply subcommittee, we will begin with the chairman of the supply subcommittee, followed by two or more members of the opposition for 10 minutes each, a total of 20 there, and back to the minister for summation.

The hon. Member for Little Bow. [some applause]

MR. McFARLAND: They all want two bits too.

Mr. Chairman, it's my pleasure to report progress on the designated supply subcommittee for Economic Development and Tourism. The minister is going to probably have a few more questions as follow-ups to those that we had in nearly four hours of deliberations on Monday, March 4.

We've heard quite a bit in the last couple of weeks about the setup for the designated supply subcommittees and some of the other subcommittees, where people expressed a strong desire to make representation to the designated supply subcommittee, in this case Economic Development and Tourism. In the interest of trying to accommodate those wishes, especially for the members opposite, we held the meeting Monday morning at 8 o'clock, knowing that most of the members are from the Edmonton area. Many of the members on the committee had to come up here Sunday evening, and we started promptly at 8 o'clock without the full committee there, Mr. Chairman. Eventually we did have the Official Opposition show up, and we had two hours of comment.

MRS. SOETAERT: A point of order.

THE CHAIRMAN: Spruce Grove-Sturgeon-St. Albert rising on a point of order?

MRS. SOETAERT: No, Mr. Chairman. Sorry.

THE CHAIRMAN: You don't wish to dispute that?

MR. McFARLAND: Following agreement of the committee, we dealt in length, first with the opposition questions to the minister, on items dealing with deregulation of business to interprovincial trade to tax climate, manpower authorization, and many other assorted and sundry questions, which the minister and his dedicated staff answered. [interjections]

THE CHAIRMAN: Order. Hon. members of the committee, if you wish to speak, please remove yourself from the Chamber so that we can hear the speaker, who is the Member for Little Bow. Little Bow.

MR. McFARLAND: Thank you. I can't help, Mr. Chairman, but to also comment on the eagerness that the minister's staff portrayed in arriving early for the meeting, and I want to thank them for their hospitality, one individual in particular who was

there with coffee and muffins, Charlotte Moran from the minister's office. I would invite her to come down and make muffins for us anytime. They were great.

Mr. Chairman, I don't have any further comments except to say that I feel the committee did allow a full range of questions to the minister, and with a great deal of sincerity the minister and the staff did respond to all the questions that were asked and made the commitment that if there were any follow-up questions that they weren't able to answer at that particular time of morning, they would follow up with all members who were in the committee at that time.

We did have consent on both sides to deal with the committee in the structure that we did, and that was two hours of continuous questioning from Her Majesty's Loyal Opposition, and we followed up with the balance of our time.

That's all I have to say, Mr. Chairman. I thank you for helping in your role as deputy chairman of that committee, and I now think I'll take my place and allow the minister to make some of his remarks. [interjection] No? I should keep standing and talking. You liked me so well, I should sit down.

Thank you.

THE CHAIRMAN: Just as a reminder, hon. member, the minister is the cleanup hitter at the end of the speakers.

We'll call upon the hon. Member for Calgary-North West.

MR. BRUSEKER: Thank you, Mr. Chairman. I did have a few comments that I wanted to proceed along with with respect to the Department of Economic Development and Tourism. I would like to ask a couple of questions, just in follow-up, that we did not have the time to address as we were on a fixed time schedule, of course, with the department, and one of them deals with the outstanding loans to the Millar Western pulp mill. It's still on the books for \$21 million. That's a significant reduction. That's in the Agenda '96 book, page 76 of the budget plan, just by way of indication to the minister. As I understand it, that loan was originally considerably higher, and it shows now on the books as being only \$21 million. I'm wondering why it is as low as it is in the book just mentioned.

Mr. Chairman, the other question I had was with respect to the issue of foreign offices. We are going to be keeping a number of foreign offices open - Hong Kong, Tokyo, Seoul, and Taipei - but of course we have a Bill before the House to eliminate the title of agent general. Specifically, this is on page 98 of the main estimates book in the Department of Economic Development and Tourism estimates. We are still putting \$2.8 million aside for these foreign offices. Now, that is a reduction; I acknowledge that it is a reduction from the previous years. I'm still looking forward to the minister making some comment with respect to some mechanism of accountability for the \$2.8 million that we are continuing on with. We are eliminating the title of agent general. It seems we are simply replacing that with a title called managing director, and I'm wondering what the significant difference is between those two titles if we are still keeping some of our foreign offices open. So I'm wondering if the minister could comment on that. It is a reduction, as I have noted, which I think is an improvement in the direction, but I'm wondering where it is that we are going to go in that area overall.

One of the issues that I wanted to raise comes directly out of the meeting that was held on the morning of March 4, 1996. When I look at the *Hansard* from that morning's meeting, on page 22 there are some comments that were made by Mr. Williams,

who is an officer of the Alberta Opportunity Company. On page 22 on the very bottom of the page he acknowledges that it will be doubtful that the Alberta Opportunity Company will ever eliminate its deficit. As I read through his comments and as I listened to them that morning, Mr. Chairman, it sounds to me that the AOC has a structural flaw in it. The structural flaw is that they are required to borrow money from the heritage savings trust fund at, for argument's sake, 13 percent and then they can only loan it out at 12 percent. In other words, they borrow high and loan it low, which seems to me to be a major structural flaw of this corporation. Now, one of the questions that I raised at the time - I'm just using those figures as examples. I'm sure those figures change, the point being that they borrow high and loan at a lower rate. If that structural flaw is to continue, then there's no way we will ever eliminate the deficit, as Mr. Williams acknowledges on page 22 of our designated supply subcommittee *Hansard* minutes. So I'm wondering what it is that the minister is going to do to eliminate that flaw in its organization.

There are many members opposite who have supported the Alberta Opportunity Company. I have not been one of those members, as you may well recall, and the reason I have not been a supporter is because the accumulated debts and deficits of this corporation keep getting larger and larger. The corporation is currently in the black but only because of massive infusions of capital into the corporation. On page 23 in continuation of his answer Mr. Williams acknowledges that continued infusion of cash into this corporation will be required, although he is hopeful that the infusions of cash will not be in the double-digit millions of dollars range but in the single-digit millions of dollars range. That, I suppose, is an improvement, but we're still losing money, Mr. Minister, and I think that structural flaw I referred to, if I can call it that, is a concern that needs to be addressed.

Now, I have mentioned before or questioned, I guess, the possibility of the idea of rolling some of these services in together with the Treasury Branches. I'm wondering if the minister could comment as to whether or not that proposal or concept is being considered. The argument I've heard is that they do different things. Well, maybe they shouldn't be doing different things. Maybe this restructuring that I'm referring to, to eliminate this structural flaw, will change the mandate of the Alberta Opportunity Company so that it can be a little more successful in what it is that the Alberta Opportunity Company is doing. Quite frankly, in this day and age where we are attempting to - well, not attempting to; we've got a balanced budget. I think we need to look at agencies of the Crown as well to see if they have balanced budgets.

8:20

Mr. Chairman, a quick question I had with respect to the western economic partnership agreements that I did not have a chance to raise earlier on. I notice that some of them have no expenditures allocated to them because, of course, they are coming to an end. We still have the one with respect to cultural agencies, with \$31,000 being allocated to that area, and reforestation and forest management, \$58,000, a relatively small program, which is why I didn't get to it earlier on. I'm wondering if there's any intention to renew those western economic partnership agreements in a similar fashion or in a renewed fashion of some type. They were there to access some federal money as well, and if we can get some federal money to help out development of the Alberta economy, then I think that's something we should continue on with in the province.

The department overall has seen some significant restructuring.

The minister has noted that the total staff has been reduced by, depending upon how you calculate it, 25 percent or 30 percent, from over 400 to right around the 300 mark. There are I guess still some positions and individuals that are in the department that certainly from our perspective, Mr. Chairman, are what one would consider to be patronage appointments. Stan Schellenberger, for example, a former Conservative Member of Parliament, and we have John Oldring, a special consultant to promote trade and investment in Mexico, to name two individuals.

MRS. SOETAERT: It's Juan. Juan Oldring.

MR. BRUSEKER: Juan Oldring it would be, I suppose. I don't know if that's another individual and just getting two paycheques. [interjections] Stan Schellenberger is still there, because he was recently at a function that I was at as well in Calgary at the Marlborough Inn, so I know he's still on board. I guess those are a couple of individuals I wanted to mention as well. I'm just kind of wondering what's going on with those two particular individuals.

Mr. Chairman, I think the other thing we're looking for is what exactly is the future development of the Alberta Economic Development Authority. Recently the minister and I had the opportunity to have lunch together at an event called Prosperity South, an event that the minister and I both apparently support since we spent a considerable amount of time there, as did the mayor of the city of Calgary, Al Duerr, working on promoting the development of southern Alberta. The people at that particular meeting were all, in their local communities, working as economic development officers or in their town offices or whatever.

One of the things that came out is that there is a discussion paper that is being developed to look at the whole issue of restructuring the department and the authority for economic development. I'm wondering if the minister would make some comment about that: the various sectoral divisions that are being discussed, the chart that has been created, and the matrix, for lack of a better word, if I could describe it that way, that breaks out various industries within our Alberta economy.

My understanding is that that paper is to be produced by June 30, and I'm wondering if at that time it will be made public or if interim copies will be made public. One of the commitments from the minister was that there is a working group that has been struck out of that Prosperity South conference which proposes to look at the whole issue of restructuring economic development. I'm wondering what input and involvement the department will have in that restructuring as well.

Mr. Chairman, I think that takes about half of the time we have allocated, and I will take my seat and allow one of my colleagues to have the opportunity to address this as well.

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

MR. SEKULIC: Thank you, Mr. Chairman. I, too, rise to speak to the estimates of Economic Development and Tourism. I'm concerned I guess in a general sense with the broad goals laid out in the estimates for the department. One I did discuss during the initial meeting of the group was the first one, to create more jobs, and particularly help higher skilled, higher wage jobs. One of the areas that I thought the minister and perhaps his department in concert with the Treasurer's ministry would have looked at is Alberta's tax structure and potential reforms. Although I know

that the machinery and equipment tax was dealt with in this budget and was seen favourably by many Albertans, at least those affected by the machinery and equipment tax, I'm just curious as to what projects have been undertaken within the department to look at the taxation principles within Alberta. The reference I make is back to the Alberta Tax Reform Commission, A Report to Albertans, February 1994, where there are a number of recommendations outlined for the government on what we can look to in the area of taxation.

I just want to refer to one quote, and Imperial Oil Limited put the quote in. It's found on page 35 of that document, where they go on to say:

We believe the role of the tax system is to fund government expenditure. At the same time, the tax system has been often used, through special provisions or exemptions, to try to direct economic activity. This approach is inefficient, it complicates the tax system, and in the end it helps undermine the confidence of society in the underlying fairness of the system.

I know the minister is fully aware of the document and has in fact reviewed it. I'm curious to know what he and his department have undertaken in that area to ensure that the future tax structure – and I know there's work currently under way at changes, potentially, in personal income tax and perhaps even corporate tax in Alberta. Just so we have a better idea of what we can expect in the future and what those potential employers that may be creating those jobs in Alberta can expect.

One of the other comments in A Report to Albertans by the Alberta Tax Reform Commission is found on page 38, and it's particularly important I think. It's a statement that says:

However, once the budget is balanced, the Commission strongly urges the provincial government to reduce personal and corporate income tax.

I'm particularly interested in that and I know most Albertans are, because we do believe and I know I would promote the idea that if individuals were able to retain more of their income, chances are that we could generate more economic activity. I'm just very much interested to see what this proactive minister has done to perhaps urge the Treasurer in that responsible direction.

I still have serious questions whether the structural deficit has been eliminated. I know that there are still very many serious problems within all of the departments, and I know that's yet another area that the minister can and will look into.

Mr. Chairman, before I do take my place, I did want to say that despite my perception that the hon. Minister of Labour is a good-natured and willing person, willing to give any needy Albertan the shirt off his back, I think, in fact, he's found a way of deterring the needy from making such a request. I had to say that because, perhaps more distracting than the heckling from the other side, this shirt requires a point of order.

With those few comments, Mr. Chairman, to the Minister of Economic Development and Tourism, I'll take my place and pass the last few minutes over to my colleague.

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

MS CARLSON: Thank you, Mr. Chairman. I have a few additional questions in addition to those that I asked the other day when we had the minister before us. The first one is really what I would consider to be a significant overlap and duplication within the FIGA department and the economic development department.

Now, when we had FIGA before us, we asked them about what happens in their business plans and about the overlap there is with economic development. In their response to us they said that

Federal and Intergovernmental Affairs handles trade policy, coordinates federal/provincial policy initiatives, and ensures necessary linkage to activities of first ministers. They stated that Economic Development and Tourism handles economic development and trade promotion and activities and develops programs and services on matters within their mandate. Yet when I take a look at page 98, program 2, business and tourism development, there's a whole section devoted to policy development that you're spending a great deal of money on: division management, policy and planning, and research and analysis.

8:30

So then my question to you would be the same as it was to the other minister. There must be some overlap and duplication in terms of what you're doing there. Clearly, what this minister said is quite contrary to what we see in the estimates, so I'm hoping that you will be able to explain that to us and tell us what the differences are between the two departments and assure us that there is in fact no overlap and duplication in this department because of course we wouldn't want that to be where you're spending the Albertan taxpayer dollars.

One of my other questions is with regard to the foreign offices. We seem to have to rehash this particular issue year in and year out because they never seem to come to any kind of satisfactory arrangement. It's noted here with the name change from agent general to managing director that many of these positions are part-time consultants, not full-time consultants. I'm wondering then how the minister justifies the salaries. Particularly, I would like to contrast two that are very large. One is the managing director in New Delhi, Raj Sharma who receives \$96,161 Canadian a year to do his job. Now, when you convert that to rupees – and he is located in Delhi, not here – at the current conversion rate that works out to about 2.4 million rupees. Well, that's a lot of money there. I'm wondering why he is receiving such an excessive salary as compared to some of the other consultants who are operating in venues that would certainly seem more expensive to live in. In Delhi a comparable bureaucrat within their government would be making somewhere between 100,000 and 200,000 rupees a year, which is quite a bit different than 2.4 million. So I'm wondering what it is . . .

AN HON. MEMBER: That's why they're so corrupt there.

MS CARLSON: What did you say?

AN HON. MEMBER: I said that's why they're so corrupt there.

THE CHAIRMAN: Order.

MS CARLSON: Well, I would challenge the minister to prove that in fact none of that happens as a matter of the course of business with this management consultant. That's a completely excessive salary to be paying him. Two point four million rupees is far beyond what anyone else in that government of a similar nature or even a higher level would be working for and particularly for a part-time job. Now, I know many people located here or in Delhi who would gladly have that position and not receive any salary for it at all because of the kinds of business connections that it puts before you and the kinds of business opportunities that are opened and the windows of opportunity to deal with Albertan businesses. So I'm wondering why, if you're dealing from a fiscally responsible perspective, you would be paying that person at all, because there are a number of people who would be prepared to do it free of charge.

The other one that has a very high salary is Terri Stevenson in Los Angeles at over \$77,000. Now, surely the cost of operating out of Los Angeles has got to be higher than New Delhi, so I'm sure that you have some rationalization for why there is such an increase in one area as to the other. Once again, as my colleague from Calgary said, why the name change? We don't understand at all why you would do that and are hoping that you'll be able to explain that to us.

THE CHAIRMAN: The hon. Minister of Economic Development and Tourism.

MR. SMITH: Mr. Chairman, thank you very much for the opportunity to reply to these questions that have been brought forward tonight after a tremendous amount of scrutiny in designated supply for the second year in a row. We thought that both the opposition and the members walked away happy from the designated subcommittee. Indeed, I find by the final gleaning of the files tonight, that's very good evidence, Mr. Chairman, that in fact much was covered in designated subcommittee.

Let me speak quickly, Mr. Chairman, to the issues that were brought up. Millar Western Pulp, the discussion on that, is clearly covered in the minutes of heritage trust of last March. I think that if we go back and review those minutes – I'll make a point of getting those and sending them over to you – that demonstrates not only where the Millar pulp loan is today but also what has happened in the restructuring of the agreement and the numerous documents tabled here in this House.

With respect to foreign offices. The opposition again clearly recognizes the dramatic reductions that have taken place in that area, where we have in fact spent much of our activity managing it from the Edmonton office, getting out of an Act that establishes diplomatic status, that in fact brings forward a great deal of expense in establishing a foreign office. The great benefit now, Mr. Chairman, that we have with foreign offices is that we have basically members from the department, locally engaged hires. In fact, we just lost a very, very competent employee in Taipei. We were paying him about \$64,700 a year, and he left for a salary of \$130,000 a year. So it's pretty hard to compete with that level and to get that level of talent that the former trade director in Taipei demonstrated so amply. The difference in titles means in fact that there is a change in not recognizing diplomatic status from this government.

The Member for Calgary-North West talked on about the Alberta Opportunity Company, the borrowing difference from the heritage trust fund to AOC. In fact, that adjustment was made in last year's budget, and no longer does the Alberta Opportunity Company borrow its money from the heritage trust fund. It borrows from the general revenue fund, as it should, and is directly accountable through an open, audited financial statement published on an annual basis. In fact, as part of what we do now in economic development, we have assigned a very competent member of government to oversee the restructuring, re-engineering of the Alberta Opportunity Company and yet also maintain a very clear, clear, distinct distance from the lending of money. So, in fact, the Alberta Opportunity Company has, through this budget that you've seen put forward this year, a 20 percent reduction in its operating funds. That is a 20 percent reduction in the small business revenue grant that goes forward to the company, and they will be continuing to operate at a reduced budget level.

Partnership agreements are a big part of the way the department

does business, Mr. Chairman, and in fact we are trying to trim the plant and increase the capacity. We're doing that through partnership agreement, going forward with private-sector partnerships, with Telus, with the Petroleum Services Association of Canada, rather than entering into partnerships with another level of government that just continues to suck the government coffers dry. We're out of that business.

If I can just refer, Mr. Chairman, to the comment made by the member of the opposition with reference to employees, patronage appointments. Nowhere on the application form does it say that you must declare your political affiliation. However, again, the member is typical of, I guess, what has transpired in their review of these files. In fact, Mr. Oldring has not been under contract to the department for some 12 to 13 months. That's been made public, and again, if the member needs that memory jogging, I'd be pleased to provide him with the appropriate news clipping.

**8:40**

One of the more exciting initiatives, Mr. Chairman, is the Alberta Economic Development Authority, the work it's doing with all economic development associations throughout Alberta, which includes what the member mentioned of Prosperity South. In fact we'll be continuing to work in a process of being able to feed strategic information via the Economic Development Authority through to various economic development associations throughout Alberta, and we expect the program to be reciprocal.

Yes, the member was correct in talking about the development of a contemporary economic strategy. When you have, one, a balanced budget, two, reduced spending, and three, met specific targets as outlined in *Seizing Opportunity*, any good business planner knows that it's time to update and put those targets back into a realistic measure of performance. We're continuing to do that. One of the things we have been able to move forward on economic development is once you have the foundation of balanced budgets and an orderly debt pay-down, you then have more flexibility to move into a deregulatory mode, a regulatory reform environment and, secondly, to concentrate on taxation strategy, not as a vehicle to provide a hindrance to industry but in methods such as the M and E issue to stimulate capital investment.

The Member for Edmonton-Manning also talked about some of the references from the Tax Reform Commission. That, again, forms a body of information like *Toward 2000*, Tax Reform Commission, *Seizing Opportunity* that one naturally takes into place and integrates into the development of a contemporary economic development strategy. I know he waits eagerly at the edge of his seat on a daily basis for those strategies to develop and unfold.

I knew we had a done a good job of scrutiny of the estimates, Mr. Chairman, when we got to the final speaker. Then we started to talk about wages here and wages there. I will point out that the individual mentioned, Terri Stevenson, is no longer an employee of the Department of Economic Development and Tourism. There were tourism consultants employed on contract in various major markets in the United States. Those have been sent over to the Alberta Tourism Partnership, another partnership, a privatized agreement that they will do the marketing promotion as they want.

All in all, and knowing the pressures of time and the desire to get on with other estimates, Mr. Chairman, I can only thank the efforts of our chairman, the Member for Little Bow, who I have a long association with. Certainly no association was more productive than that one of the morning meeting when a full slate

of government representatives were there and we had encouraging questions from key individuals from the opposition.

Mr. Chairman, if I can, I would now like to move that the vote be taken on the estimates for the Department of Economic Development and Tourism.

THE CHAIRMAN: After considering the business plan and proposed estimates for the Department of Economic Development and Tourism, are you ready for the vote? Okay. No one is prepared to stand, then. All right.

Agreed to:

|                       |              |
|-----------------------|--------------|
| Operating Expenditure | \$66,275,000 |
| Capital Investment    | \$315,000    |

THE CHAIRMAN: The hon. minister.

MR. SMITH: Thank you, Mr. Chairman, for voting so quickly and carrying through such tiny numbers of a formerly very large department. I would move that the vote be reported when the committee rises.

[Motion carried]

### Public Works, Supply and Services

THE CHAIRMAN: We now have under consideration, not under a designated supply subcommittee but under a subcommittee, the Department of Public Works, Supply and Services.

The first question that the chairman would like to ask is: how would the committee like to deal with this? In the past we've had at one time an agreement and at another time a motion that had the minister start off, then we had 20 minutes for the opposition to ask questions and a similar period of time for the government members to ask questions. If that's your wish, we'll follow that procedure again.

The hon. Member for Calgary-North West.

MR. BRUSEKER: Well, actually the Government House Leader and I haven't spoken about it this evening, so I think there are a number of members who would just like to speak on it for whatever time.

THE CHAIRMAN: But no more than the amount of time that was previously agreed to.

MR. BRUSEKER: We didn't have any agreement with respect to this evening, Mr. Chairman.

MR. EVANS: Well, Mr. Chairman, we did have a vote the other night on this process and on the timing, so I would ask for your comments and your decision as to whether that vote was just for that one evening or whether it applies to this process. I would expect that it would be the latter, that it applies to the process, and therefore the 20, 20, and five would continue this evening.

THE CHAIRMAN: Well, thank you for offering the decision to the Chairman, but the Chairman is the servant of the committee. That's what I was fishing around for: either we have the motion or we have the agreement. We don't seem to have either.

The Hon. Government House Leader.

MR. DAY: You are quite correct, Mr. Chairman. As a matter of

fact, we have something even stronger than that; we have precedents. The precedent is as we have been following, and it would not be appropriate to even entertain a motion at this point to break precedents. So my suggestion would be that we continue with the precedents and we carry on.

THE CHAIRMAN: That's interesting that we have precedents. We certainly have, but a vote can overcome that if necessary. But if that's agreed, let's go forward with it. That's all the Chair was trying to find: an agreement by the committee to proceed. If we have that, we'll continue then.

The hon. Minister of Public Works, Supply and Services.

MR. FISCHER: Thank you, Mr. Chairman, and I didn't mean to cause so much problem with the department of public works.

Mr. Chairman, I'm pleased to return to the committee this evening and to report the '96-97 estimates in the business plan for our Department of Public Works, Supply and Services.

DR. TAYLOR: Tell us about your bull sale.

THE CHAIRMAN: Order, hon. Member for Cypress-Medicine Hat.

**8:50**

MR. FISCHER: We did have an excellent discussion during the estimates at our subcommittee meeting on the evening of Monday, March 11, and I would like to thank all of the members for their input that helped us display our estimates.

My remarks this evening will concentrate on policy-related issues that were raised at the subcommittee meeting. Also, the written responses are provided – I have them here, and I would like to table them right now – on the specific issues that we didn't have an opportunity to respond to during the debate on March 11.

Many of the questions that were asked on March 11 were regarding this government's freedom of information program. There were many questions on freedom of information, and I would just like to give you a little bit of an outline on it. It has been, as all of you know, a key program of our government. It came into effect in October of 1995, and it was for government departments, boards, and agencies. That's less than six months' experience. Under section 81 of the Act, I'm required "to prepare an annual report," and this report will contain the comprehensive statistics on the total number of requests and fees collected as well as the stats and the future direction of the implementation.

My department compiles statistics on the total number of requests on a quarterly basis. To the end of December of '95 there has been a total of 643 requests received under the Act: 337 for personal information and 306 for access to nonpersonal information. Of those requests, 129 initial requests have not been pursued by the applicants and, therefore, deemed abandoned. Complete figures to the end of the '95-96 fiscal year will be tabulated in April and included in the annual report which I will provide to the Assembly this fall.

The Act is very valuable to Albertans, but it is certainly not the only way to obtain government information. In fact, it is intended to be an Act of last resort. We have no information on how many requests for information are made and answered outside of the freedom of information Act. Our own department routinely responds to many queries every year, and other departments do the same. Section 3 of the Act emphasizes that access under the Act "is in addition to and does not replace . . . procedures for

access to information or records" which existed before the Act came into effect.

As a government we are also expanding the use of technology to provide information. For example, more and more government information is being put on the Internet free of charge every day.

I am proud of our achievements to date in the implementation of the Freedom of Information and Protection of Privacy Act. There are still major initiatives that my staff are working on, and the key highlights of these include: planning to extend the legislation to local public bodies, reviewing all the Alberta Acts and regulations to determine if they impact or have a bearing on the freedom of information Act, as well as undertaking a comprehensive review of the Act three years after it came into force to formally assess its value to Albertans.

The Member for Clover Bar-Fort Saskatchewan had asked about our business plan, our goals, and our performance measures. They are on a multiyear target, and plans are not limited to one fiscal year. The achievement of our goals is measured against the performance of the department over a multiyear period. Performance measures are included in our business plan consistent with our commitment to improve efficiency, effectiveness, and customer satisfaction. We are developing additional performance measures to reflect our ongoing objectives.

Mr. Chairman, there were a number of questions regarding the lodge upgrading program. This program was established to provide funding to upgrade existing senior citizen lodges in Alberta, many of which are 30 to 40 years old. The program focuses on life safety, building codes, and operating efficiency issues. Specific areas which are addressed include plumbing, heating, electrical, windows, doors, kitchen, laundry equipment, roof, sidewalks, stairs: that type of upgrading. Lodge foundations continue to be responsible for the day-to-day maintenance, the upkeep, and the operation of their facility. Public works assumed the responsibility for this program during the '93-94 fiscal year. In '96-97 there'll be \$15.4 million spent on this program.

In conjunction with Municipal Affairs upgrading standards were established, and priority lists were developed for those seniors' lodges which require upgrading. The list is based on condition reviews of the lodges, and it was undertaken by a private-sector consultant. The emphasis of this program is safety and comfort to Alberta seniors. The government is committed to making the best use and extending the useful life of the lodges that we have in place. We are ensuring that these lodges which require upgrading will receive it.

There were also a number of questions on the health care capital project approval system. In our current business plan the province allocates more than \$100 million annually to maintain and develop its health care facility infrastructure. These funds support quality health care in the province. A process has been established for planning and approving capital projects to ensure that health care capital funds are spent on priority health care needs. The health authorities' capital plans are reviewed by Alberta Health and by Alberta Public Works, Supply and Services in relation to provincial capital planning guidelines which were approved by cabinet. These guidelines outline key criteria on cost-effective delivery of needed health care services that must be met by proposed projects. These guidelines have been provided to the health authorities, the Alberta Cancer Board, and the Provincial Mental Health Board.

Each year the projects proposed for implementation by the health authorities are assessed by Alberta Health and public works according to the capital project rating scale. The projects that

best meet the objectives in the rating scale achieve higher provincial priorities. This rating scale has also been provided to the health authorities. Each year the Minister of Health in conjunction with the minister of public works recommends a provincial capital health plan based on the rating scale assessment and annual funding targets. After the capital plan and proposed funding have been approved by government, the authorities are advised of the projects which will receive funding.

The capital plan for health care facility projects also includes an annual budget for capital upgrading projects. The budget for '96-97 is \$18 million. Capital upgrading projects are short-duration construction projects valued at less than \$1 million to address facility deficiencies and minor program changes at the health care facilities. Typical projects would include upgrading of mechanical, electrical, medical, gas systems, roof repairs, renovations, and that type of thing. The upgrading budget also funds engineering facility evaluation studies and feasibility and programming studies related to potential new projects. The capital upgrading projects also are approved by the minister of public works in consultation with the Minister of Health.

Mr. Chairman, this concludes my comments. I would like to thank all of the members for their complete and thorough review of the public works estimates. Thank you.

**9:00**

**THE CHAIRMAN:** The hon. Member for Spruce Grove-Sturgeon-St. Albert.

**MRS. SOETAERT:** Thank you, Mr. Speaker. Just briefly I'd like to indicate that I truly appreciate the responses by the minister's people and the minister's responses to these questions. I think it highlights one of the problems with doing these committees the way we are right now in the fact that we just got these answers to the questions today, in fact just now. If a person could see these beforehand, they would have more valuable questions, rather than repeating some of the other things that may have been answered already. Considering this was done March 11 and we only got it back today, it makes for some difficulties. I do appreciate this piece of information, but had we got it a little sooner, it would have made tonight's estimates a little more valuable for us because we wouldn't be repeating questions and we'd have seen the answers beforehand. So I guess I would flag that as one of the concerns in this whole process of estimates. Possibly two people, one from either side, should discuss how this could work better the next time we do estimates.

Now, a couple of things I want to just ask the minister. I don't know if they're in here because I haven't had a full chance to look through it, but just a couple myself. All the surplus goods – and we were just talking about that; I mean, I know it's probably out there and I'm just not aware of it – can you tell me how people can access that, desks, computers, and heaven knows what that the general public could access? How can they access, and what does it cost? Are those prices published? Do people know that they can go to this place? Where is that place located? So for the bargain shoppers of the world I'm guess I'm interested in that.

The other thing I want to ask a question about – I'm not sure if it's been asked already – is: are there still any ALCB stores that are sitting empty and vacant in our province wasting away to heaven knows what? So I guess I want to ask a question about those vacant ALCB stores.

One other comment I'd like to express to the minister. Actually in the city of Spruce Grove there is no provincial building, none at all in Spruce Grove. With the government getting out of lodges

and those kind of seniors' facilities, may I express a concern about the city of Spruce Grove? I know the initiatives now are privately funded, et cetera, but there is not one long-term care facility and not one government building in the city of Spruce Grove. I'm not asking for a building, because certainly in this time of fiscal restraint I don't want a building. That's not the answer to the problem. But I do want to flag that as certainly something interesting that the minister might want to acknowledge. If there is any projection in the future for seniors' lodges and that kind of initiative, certainly I would say that Spruce Grove would be deserving of consideration because people grow old in Spruce Grove too.

So those are just a few of my concerns. I will read through what the minister and his fine people have prepared. I really appreciate those complete answers. I realize that because *Hansard* couldn't possibly keep up, it took longer to get the questions, and as a result we're only getting it tonight. Then we'll probably be asked to vote, and I think that procedure is a little unfair, Mr. Chairman. I would flag that for you, that the whole procedure of getting this right now and having to vote on it before we've had a chance to look at it seems a bit unfair. Maybe two people from either side at some point could discuss a better way of doing estimates. Maybe a separate two committees could look at a better way so that *Hansard* can keep up, so that we can get our answers in a more timely manner, so that this debate tonight is more constructive and more conducive to a better form of estimates.

I know that I personally appreciated the designated committee of supply. That, to me, was very valuable, and I know the answers will be delivered to us, the committee I was in. I would just once again express a concern about this process. I appreciate the answers. With those few comments, I'll pass the floor to someone else.

**THE CHAIRMAN:** The Chair would observe that I know the minister's office had a great deal of difficulty because they were after our office to try and get copies of them. We already are doing in a sense at times three *Hansards* in the same day, so I'm sure that *Hansard* staff are doing their very best. It is a problem for all of us, yes.

The hon. Member for Calgary-Buffalo.

**MR. DICKSON:** Mr. Chairman, thank you. I'm mindful of all the things you say, and there's no question that *Hansard* and the minister's staff try hard to comply with requests. But surely what we're left with, the final result is \$437 million that we're asked to spend on the basis of 20 minutes of opposition questioning tonight, which has been capped already. We receive a booklet of responses that – I don't know whether it's numbered sequentially – must be 38 pages long. So on the one hand, sure, I'm appreciative that the minister has got this together. Some of his colleagues haven't responded to requests before we got to this stage, so I appreciate that. But the process surely, Mr. Chairman, has to be an unsatisfactory one.

I want to ask some questions specifically about FOIP, Mr. Minister. I guess I'd start by asking you this: of the 129 requests not pursued how many of those were because the fees were not paid within the time stipulated? You recall that there was a provision that your ministry inserted. When you imposed your application fee and then you built in a whole set of rules surrounding that, it was contrary to what was recommended in the Premier's all-party panel, and it was contrary to what was done

in Bill 18 in the spring of 1994. So I want to know: are all 129 of those applications ones where you didn't receive the fee after you sent out the fee estimate?

Mr. Minister, I want to tell you, it's frustrating when I read the request for specifics on applications received and I see your reference that we're going to have to wait until the annual report is prepared. Mr. Minister, I anticipate that's not coming until October of 1996. Do you plan on producing it sooner? If that's the case then, are you telling us that your department, Public Works, Supply and Services, with the most sophisticated information management system in the government of the province of Alberta, with the most expertise of any one of the 17, 18 government departments, can't produce these responses before we vote on \$437 million, that we have to take you on faith and we have to wait until the annual report is prepared? Mr. Minister, I'm disappointed if in fact that's the position you're taking.

Mr. Minister, I'd ask a question in terms of planning to extend the legislation to local public bodies within five years. I'd like to know: how many people in your department are primarily tasked with preparing for the implementation of freedom of information to municipalities? I'd be interested in the \$25,000. This is on page 5 of 8 in the response booklet you gave us. You recall, I had asked about an adjudicator under section 71 of the FOIP Act: how much had you budgeted? You've come back and indicated \$25,000. Now, that seems to me to be low, Mr. Minister, given the fact that we're looking already at three potential cases for an adjudicator and we're only in the very early part of the year. So tell me, how many cases is that going to cover? How many cases to go through to an adjudicator because the current Information and Privacy Commissioner is in a conflict and can't deal with it for one reason or another?

[Mr. Clegg in the Chair]

Mr. Minister, I also want to ask a couple of questions. I'm really interested in what appears to be happening here, as I understand your answer, through Justice facilities for forensic psychiatric services. What I understand you to be telling me is that the facility now at the Peter Lougheed hospital is going to be torn down and that you're going to build a new three-storey addition to the same hospital. Is that in fact? I'm looking at page 7 of 8 in the response to the question. Then on the next page, page 8 of 8, you've got some notes about closing the Calgary General hospital, Bow Valley site, and all the programs being moved to the Peter Lougheed and Foothills hospitals. I guess I'm just looking for confirmation that in fact you're tearing down a facility that would have been built at the Peter Lougheed hospital and then erecting a new facility. It doesn't make very much sense to me, Mr. Minister, and I need some help from you in terms of understanding that.

**9:10**

Mr. Minister, with respect to the average fee charged for FOIP requests you've indicated in this package that you haven't centrally collected information on fees assessed. I'd also be interested in knowing the average fee estimated when people make a submission. If we're looking at 129 applications that haven't been pursued, and if in fact that's because they didn't pay the estimated fees, then what I'd like to know is: what would be the average amount of those estimated fees? I'm trying to get to the bottom of the 129 applications not pursued, Mr. Minister.

The business in terms of staff lawyers in the Department of Justice, do I take it from your response that there is no system

now and there is not contemplated to be any system of charge-backs in terms of council provided by the Department of Justice? That's implicit in your answer, but I need you to tell me expressly if in fact that's the case.

Now the other thing. If you look at page 3 of 8 – and I'm not sure quite how your page numbering system works – you identify that the budget here is \$900,000. You remember my question had been: what's the most current estimate of that cost, firstly of materials and secondly of labour, for the implementation and operation of the Act? Now, if we leave aside the budget for Mr. Clark's office, which you don't have responsibility for, we've had the public affairs official working for the Minister of Family and Social Services talk about numbers in excess of \$5 million being the cost of freedom of information. So I might ask you what steps you're planning on taking to disabuse your colleagues and their staff of exaggerated notions of the cost of freedom of information, and if in fact it is \$900,000, what are you doing to communicate that so that each one of your colleagues understands what that cost is?

I think there are a couple of other questions, so I'll take my seat at this point, Mr. Chairman. Thank you.

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

MR. WHITE: Yes, Mr. Chairman. I, too, am a little concerned that the minister would not deliver these answers to questions that we've had previously in a little more timely fashion. If it was even an hour and a half earlier, it might have made some difference, sir. Although we appreciate his ministry as being one of the few that has responded as he has – and I know the difficulties that the Chairman has pointed out with receiving *Hansards* in a timely manner so as to have his staff prepare the responses – the responses to the questions are mere window dressing if they're delivered just before we go into this last session, where we have a mere 20 minutes in which to shrink some kind of questions in response to these responses that you've given, sir.

However, that being the case, there is one particular question where I found the response was a little lacking. It says: we're studying it; we're studying it; we're studying it. Well, the facts are that an accounting system which makes a department accountable is the system that many other governments use, which is the flow-through accounting. It says that this particular department – as well as some other departments, but yours in particular – is the service department; you buy the pencils and all that sort of thing. You charge absolutely everything to other departments so that in fact you don't have any call on the general revenue fund. What you do is you call on the department of transportation if you're building some buildings on their behalf. If the capital cost is X and you need another 3 or 4 percent to manage that project, then you charge X plus 4 percent to that department for providing that service.

The same thing occurs whether it be air flights or supplying of automobiles for various other ministries. As you flow through and charge those ministries, those ministries, being in care and custody of their budget and having a minister that is on their case to provide good service, do just that: they provide the best service they can. If they have a cut in budget, they don't just sort of lay it off on your department and say, "Well, gee whiz; our cars come anyway, and our service contracts on our duplicating equipment and our computers come, because we just placed an order." It's a well-known and has been a very good method of



deliverance of service in a service department for all governments for many a year. Quite frankly, I don't understand why there wouldn't be a little better discussion of it in the response on page – well, it's only page 1 of 4 as it's labeled, but it's in response to my questions the first time we spoke. It says that this is part of the process in our business plan and all that sort of thing.

It is a shame that you can't give this opposition member a little better dissertation on what the pros and cons of the accounting systems are, because, quite frankly, I'm an engineer by profession and have some accounting background but certainly not enough that I would be able to put a proposition forward except to question why this is not occurring in this department.

The second area of concern – and I know we have a number of other people that wish to speak to this matter – was that the department's operating expenditures are reduced by 15 percent when the capital investment is reduced by some 27 percent. Well, it seems to me that in large measure the department actually manages capital works and the expenditure in capital works, whether they be major acquisitions of property and buildings and the like, whether they be aircraft and the like, or whether they be pencils and computers. In fact, when you are purchasing capital investments, I would have thought there would have been a similar reduction in operating expenditures, particularly when the rest of the government services have gone down, in some cases as high as 20 percent. So I have a little difficulty understanding that. Unfortunately, we were so short of time in the committee that we were unable to get to a lot of these questions, because I'm sure I would have had some sort of an answer by this time, even though it would have been delivered just moments ago.

9:20

There are a couple of other areas that sparked an interest. It's the transfer funding and replacement furnishings and small tenant improvements and projects and air transportation to other departments to improve delivery of service and accountability. This was never really explained how this occurs. I suspect it is the tried-and-true management principle applied once more, which says that if those who are responsible for the funds and the deliverance of service could be made responsible also for their expenditures, they would respond positively to the challenge. But there isn't anything other than just listed under a minimization of common costs, and that's all there is in the business plan.

There is another area that was not explained at the time, and it deals with some dedicated revenue, sir, on line 4.15.89. Quite frankly, I don't understand where it comes unless it's a collection of all of those funds delivered from the incomes from the manors. Mr. Chairman, there is . . .

THE DEPUTY CHAIRMAN: Hon. member, your time has elapsed. Thank you very much.

MR. WHITE: My time has elapsed, sir? Under what rule?

THE DEPUTY CHAIRMAN: Under what rule? It was mutually agreed upon that . . .

MR. WHITE: It was not mutually agreed upon, sir.

THE DEPUTY CHAIRMAN: Hon. member, take your seat, please. Hon. member, there was a general agreement, if I understand it right, and those are the rules we've been following through these . . .

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

THE DEPUTY CHAIRMAN: Yes.

#### Point of Order Speaking Time

MR. BRUSEKER: That was raised at the beginning, and I rose and said there was no agreement from this side of the House. Under Standing Order 62(1)(b) a member has 20 minutes to speak in Committee of the Whole Assembly, and this is Committee of Supply, which is a committee of the whole Assembly. The member has only used up, by my clock, seven minutes.

MR. DAY: Well, Mr. Chairman, I'm somewhat surprised at the Opposition House Leader. It's been demonstrated in the past that when he's out of the House, certain others of his colleagues have tried to rise and disrupt things by departing from agreed on practices. Now we have the Opposition House Leader himself suggesting that things should be done differently when in fact this is something that has been agreed, something that has been done over the last several nights on this so-called reporting process, and all of a sudden there is a departure. I would suggest that we continue to go with something that was agreed, something that we will show you in *Hansard* there was agreement on, and also a precedent that has been established. Now there is an attempt to change this. I would suggest the Chairman has ruled correctly: the opposition time has exhausted, and we move on.

MR. DICKSON: On the point of order.

THE DEPUTY CHAIRMAN: Yes, hon. Member for Calgary-Buffalo.

MR. DICKSON: Mr. Chairman, thanks very much. I think what the hon. Government House Leader chooses to ignore or perhaps forget is the fact that for designated subcommittees there's a process set out in the Standing Orders that clearly provides the format by which there is the report back, and that's acknowledged and understood. I accept the fact that the agreement that had been made in late 1993 in terms of the way the designated subcommittees would work is one thing, but we're not talking about designated subcommittees now. It seems to me a curious proposition to say that because it's done for one committee on one evening in a particular fashion, all members and both caucuses are locked into that until we finish the budget review process.

You know, at some point I wish the Government House Leader were less hidebound with the precedents that he conveniently finds and a little more concerned with ensuring that we have the fullest possible scrutiny of spending multiple billion tax dollars. That's the point here, and it would seem to me that every member in this Assembly, particularly those members who have had experience on municipal council and so on, would recognize the importance of allowing full debate. That partly means ensuring that people are adequately prepared, which means you get the responses a reasonable time before you're expected to commence questioning the minister.

It would mean that you'd get *Hansard* in a timely fashion. Not getting *Hansard* . . . [interjection] The Minister of Health maybe has a pipeline to *Hansard* and gets her turnaround faster, but typically what we get is *Hansard* from the subcommittees four or five days after the committee hearing. That's the reality. We don't get the one-day turnaround that formerly had been the case.

MR. DAY: You're not telling the truth, Gary. You've got a real problem with that. You never tell the truth.

MR. DICKSON: The Government House Leader likes to keep debating whether standing or sitting, Mr. Chairman.

MR. DAY: No. It's that you're not telling the truth.

MR. DICKSON: The point is that the system doesn't work, the system hasn't worked, and it means that we have the opportunity here to say that we want to be able to do it in a fashion that doesn't put a cap on debate time. That's the point, Mr. Chairman.

THE DEPUTY CHAIRMAN: Well, hon. member, it's my understanding that we have a general agreement, and subcommittees are allowed to in fact make their own agreement. My ruling stands. We've been following it the last two or three nights, and I have no intention to get away from that. It's unfortunate that we can't seem to have an agreement and everybody happy with that agreement, but it's been working very well the last couple of nights. The time for the opposition has expired, so we will go on.

The hon. Minister of Public Works, Supply and Services.

#### Debate Continued

MR. FISCHER: Thank you, Mr. Chairman. I'll try to wind up as quickly as possible and get a few of the answers in. One of the questions that was asked was about our surplus goods, and I do say that in different points around Alberta, we do have surplus sales. We have one in Edmonton here, and I don't have the address right with me, but I would be glad to get the address. We advertise that in the paper whenever a sale is coming due. We sell all of our surplus materials. I know the member was interested a bit in computers and so on. There are a lot of computers, good computers that are getting older that we replace with more modern technology. We also sell in different parts of the province. We gather different towns' excess material and tender it to an auctioneer and he puts it out for sale. There is advertising in the paper, quite extensive advertising.

The member also mentioned about Spruce Grove not having a provincial building, and I'd only say that I'm sure the services in Spruce Grove are provided and probably through leased space. We do have roughly 2,500 buildings in this province, and we lease 300 to 400 buildings as well, so I wouldn't feel like you're neglected as far as the service goes.

The lodge initiative. In the future we are encouraging the private sector to build and do leases and work that way, rather than government owning more and more buildings.

9:30

With Calgary-Buffalo's requests on freedom of information there were a lot of questions that he asked, and many of those questions were answered in the paper. I'm sorry if he missed my opening remarks, because I did give the December first-quarter report on the number of applications for freedom of information. Each quarter we do tally them up and do a report, and certainly you will be getting the report after the end of each quarter.

The cost of the adjudicator. It's pretty hard to estimate what an adjudicator is going to cost. When we second a judge, he's already getting paid, so his isn't an extra fee. Now, yes, the staff and some of the help and the leased space and whatever else: some of that may have to be paid for, but to try and predict that

ahead of time is almost impossible. We'd just be guessing.

The Peter Lougheed centre. I don't know where the member got his information, but I just want to update you a little bit on the Peter Lougheed centre. This is a \$30 million capital project that was approved in July to consolidate regional programs at the centre. Mental health, family medicine, rehabilitation, ear, nose, and throat services will be transferred from the Bow Valley centre. The work includes \$9 million in renovations to the existing hospital and \$17 million in addition. The preliminary construction has commenced now, and the completion is hopefully in early '97, so I didn't quite understand about the tearing down that you were talking about.

Now, there were a number of questions on air transportation and why it was transferred over to the other departments. The air transportation was transferred over so that each department would be spending their own money and being more accountable in the use of our aircraft. For your information I would just like to give you a little bit of a rundown on our aircraft. I think we have an excellent little fleet of three King Airliners, one Dash 8, and four water bombers. The total cost to operate those planes is \$5.3 million. We are very proud of that number because certainly there is a lot of service that is given by those aircraft. Most of the use of the aircraft is by environment and mostly because of forestry and the water bombers, forest fires, that type of thing.

Now, the rest of the answers, as much as I could keep track of things there, I believe that if you look in the answers that we gave you, there was an excellent explanation on capital versus operating in the budget and on the changes and why we changed it around. If you have any further questions on our accounting system – yes, it has changed an awful lot – I would recommend you ask the Treasurer why he did certain things in a lot of the areas.

With that, I would like to say thank you, and I would like to move that we accept our estimates report and our estimates tonight, Mr. Chairman.

MR. DAY: Mr. Chairman, I move that consideration of the estimates of Public Works, Supply and Services be reported when the committee rises and reports.

[Motion carried]

#### Federal and Intergovernmental Affairs

THE DEPUTY CHAIRMAN: I would ask the Minister of Federal and Intergovernmental Affairs to make a few opening remarks.

MR. ROSTAD: Thank you, Mr. Chairman. We last met in Committee of Supply on March 7 and had some very good discussion. I thought I would have all the answers prepared for tabling tonight. That isn't the department's fault. That's my fault, because I have some things to add to what they put in. I hope to have it before the end of this week, and I will have it delivered to each of the members who asked the particular questions. We were having a good, lively discussion, and I would hope that we'll have more questions this evening that I will either be able to answer tonight or again in writing.

As I mentioned on the 7th, we've made substantial changes to the department from last year's budget to this year's budget, where we reduced our FTEs from 76 to 55 and reduced our expenditures 900 and some thousand dollars, a million dollars for round figures. We've reorganized into a team concept where we can, as we determine policy for any particular area of government, move our people around to various groups to deal with

those rather than having everybody working in particular silos.

With that, I'll sit down and ask for questions from members of both sides.

**THE DEPUTY CHAIRMAN:** The hon. Member for Edmonton-Centre.

**MR. HENRY:** Thank you very much, Mr. Chairman. I have an area I'd like to raise with the hon. minister with regard to FIGA. I sat in on some of the subcommittee with the minister and listened to him describe his department as essentially providing services to other departments, that being economic development, agriculture, et cetera.

What I want to focus on is an area that I think affects agriculture, and I think it affects the Department of Economic Development and Tourism as well as lotteries and perhaps a couple of other departments. That is that often when we are involved in trying to pursue trade in this new global environment that we're involved in, members on all sides of the House and certainly members of the government talk about responding to market forces and talk about the market governing the activities. Therefore, if there is an opportunity for trade, then we move in, and we try to develop the links with other countries and try to develop, then, following agreements that allow us to sell our agricultural and other kinds of products overseas to other markets. As well, we know that there are investment dollars that we are able to put into some countries.

I believe that when we go along that route, it's very easy for us to forget that the free market is essentially amoral in nature and the free market doesn't have any values attached to it except in terms of what can be measured by dollars. Specifically, if I can zero in on it, many of my constituents have raised with me the issue of our province and our country generally and its trade with certain nations that have very poor records in terms of human rights violations and in terms of democratization or freedoms within the countries that we're trading with.

The examples that have been raised with me among others have been the treatment of the Kurdish people in Turkey and the repression of the Kurdish nationalists in that area and our connections in our country both in terms of trade connections and military connections, of course, with regard to NATO. As well, on the other side of the continent, in southeast Asia we are experiencing with the Republic of Vietnam right now – there's very clear evidence that there is widespread religious persecution in Vietnam right now by the Republic of Vietnam. As well, in several countries in that area – Vietnam, China – there doesn't appear to be a move towards democratization. I'm going to acknowledge for the minister that I don't believe this is a black-and-white situation, because there are two arguments. One is that if we can get in there and develop some trade and some relations, then perhaps we can have an impact in persuading the foreign country to better its record with regard to human rights violations or suppression of freedom or refusal to allow expressions through democratic means.

**9:40**

The other side of the argument there, of course, is that if you trade with those countries, then what you are doing is essentially reinforcing or tolerating and in some sense endorsing the practices of those countries. That view would also say that you shouldn't trade with those countries, that you should withdraw from those particular countries and say: unless you're willing to meet some minimum standards with regard to treatment of your own

individuals, we're not going to encourage our citizens to trade with you.

I think the minister understands the issue that I'm raising. I understand there are two sides to the argument, and I also understand that it's a case-by-case situation. If the hon. minister of agriculture decides to go to the former Soviet bloc or another part of the world to try to sell Alberta grain, that might be a different scenario than if he went to China to sell our grain because there are different circumstances. The question that I would like to pose to the minister, in terms of his department, is: what guidance has his department provided to all of the other departments with regard to this particular issue? Does the government of Alberta have a set of standards or guidelines for its operations with regard to trading with groups that have bad records of human rights violations and antidemocratic measures, or is that simply not a factor in deciding where it is we put our efforts? Do we simply go blindly wherever we can sell, or do we put in that overlay of human rights?

Also, I can raise the issue, of course, with regard to Nigeria and the situation there, not only with the recent publicized hangings but also with small Christian communities in that particular country being slaughtered. I'm sure the minister knows that we can go on and on. I've spent a lot of years and a lot of my time over the last decade and a half, almost two decades, working in international human rights, trying to bring a better standard around the world. I believe all governments and our government have a responsibility to be proactive in that, and I'd like to know what the standards are that the ministry provides for the rest of government. What is the policy of this government with regard to trading with firms? How do we make the decision to go into a country or to not go into a country that has a bad record of human rights and has resisted democratization to promote trade?

With that, those will be my comments, Mr. Chairman.

**THE DEPUTY CHAIRMAN:** The hon. Member for Edmonton-Mill Woods.

**DR. MASSEY:** Thanks, Mr. Chairman. I, too, sat through the other evening while there were questions asked and would like to pose a couple of questions, if I may, to the minister. I went back to the history of the department and when it was created. My question would be to the minister. Now that there has been the downsizing across the government, could the functions that are handled by FIGA be put back into the departments from which they originally came? That is, is there a need now for a separate department like FIGA, or can the issues now be housed in the departments from which they were originally extracted? If I can give you a couple of examples. If you look at page 240 at goal 4 under strategies, "An active, targeted international role for Alberta," and then you go back and look, for instance, at economic development on page 180, you'll see under the second subhead, objectives and strategies, one entitled

We will work to increase the sale of Alberta products and services by . . .

and then they have a number of bullets, and many of those bullets –

- assisting Alberta businesses in international markets through ministerial missions to key markets and a network of foreign offices and consultants
- focusing on exports of services in key markets, including oil and gas, engineering and construction, health, education and information technology services

- supporting Alberta-based trade events including conferences, trade shows and incoming missions.
- sound very similar to the ones that are listed under goal 4 of the FIGA business plan.

Similarly, if I may, Mr. Minister, with agriculture on page 159, if you look at the reference under the business plan, you will see that their first goal is “improved access to domestic and world market opportunities.” So again we have a second department where the mission and the goals seem to overlap. I think I went through and referenced a couple of other departments where the same kind of observation could be made; that is, there seems to be a doubling up of efforts. It's not that I want anyone to be put out of work, but my question is: is there an overlap that's unnecessary at this particular point in time?

The second area I wanted to address was the performance measures. In this particular business plan, the performance measures aren't listed as they are in many of the other departments, and we don't see those specific objectives that are going to be measured. It's covered where it says that it's measured by client satisfaction. They're talking about other government agencies. Yet it seems to me, if you look at goal 2 under the strategies, that there could be some other kinds of performance measures there that would give us a better feeling for the effectiveness of the department at the end of the year. For instance, if you look at 3,

Coordinate Alberta's strategies and advance its objectives with the federal government in priority areas (e.g., social policy reform, agriculture, trade, environmental management, transfers to the provinces, tax reform, health),

surely there must be some measures that can be taken that would indicate the kind of progress in these areas. Whether it's a signing of agreements or a change in the legislation, there must be some tangibles at the end of the year that could be used to look back and say, “Yes, this was our objective, to co-ordinate and to advance our objectives, and these are the ways in which we have managed to approach and to accomplish that task.”

Ensure effective participation in high-level intergovernmental meetings: First Ministers' Conferences, Annual Premiers' Conferences,

et cetera. Again, if the department was being super successful, I would think one of the measures would be a decline, for instance, in the number of provincial/federal disagreements, that we would see fewer and fewer . . . [interjection] Pardon me, Mr. Chairman, do I have the floor?

THE DEPUTY CHAIRMAN: Yes.

Hon. Minister of Transportation and Utilities, the hon. Member for Edmonton-Mill Woods has the floor.

9:50

DR. MASSEY: Mr. Chairman, the strategy under goal 2 that would facilitate communication between the Alberta government and ministers of Parliament and senior federal public servants through the Ottawa office – again, it seems to me that there are some tangibles that could be identified there and would give us a better idea of whether that strategy, that goal is actually being achieved. I would appreciate some response in those two areas. First of all, the mandate of the department and any possible overlap: does it now and does it still serve a unique function in government? The second one, the lack in the performance measures of the kind of specificity that we have in other departments, where we have some fairly clear measures that we're going to be able to go back to a year from now and to make some judgments about the department.

With those comments, Mr. Chairman, thank you.

MR. DICKSON: Mr. Chairman, since I don't have a response yet from the minister responsible for Federal and Intergovernmental Affairs, I wonder if he can advise us tonight, before members are in a position where we have to vote on his estimates, if he's able to share with us a number of the concerns I'd raised about elements of the federal/provincial negotiations we anticipate that will occur leading up to the constitutional conference in 1997. I just say that because the minister – whom I've always found to be exceedingly responsive, co-operative, and helpful – at the tail end of the subcommittee dealt with a number of the concerns I raised, but he didn't address any of the things I asked in terms of the constitutional negotiation.

What I had said at that time was that given the fact we want to avoid the problems that came both with the Meech Lake proposal and then the Charlottetown proposal, I think it's important that the government of Alberta be very forthright with Albertans and indicate on the key issues what proposals this government is going to put on the table, what position we're going to take going into that constitutional conference. I hope we're not going to wait till the eve of that constitutional conference to raise those things. The specific thing I'd asked was: what's the position of the government of Alberta on asymmetrical federalism? What position are we going to take on that? I want to know the position of the government of Alberta in terms of the amending formula. I'd like to know specifically, and I'd like an indication from the minister tonight before we're put in a position of having to vote in these estimates: what's the proposal that's coming forward from the province of Alberta on behalf of Albertans? What that will look like?

I want to know what the current proposal from this government is in terms of Senate reform. We don't hear very much from the government of Alberta in terms of an issue which has been seen for a very long time as a core issue for Albertans. I'd like to know what the position of the government of Alberta is on a House of Commons veto, firstly, and then secondly, a constitutional veto over decisions relating to resources and resource revenue, an important issue for Albertans, and I think something, Mr. Chairman, that the minister has to address tonight before we're put in the position of having to vote on behalf of our constituents on these very important issues.

I guess the other comment I'd make: not wanting to be argumentative, Mr. Chairman, but I had listed a number of initiatives that I'd hoped we'd see the provincial government taking in terms of federal/provincial issues and shared responsibilities. The minister came back and said essentially that he can't take the initiative in these things, that it's up to individual ministers and individual departments to do those things, although he acknowledged that there may be a role for nudging his colleagues. Well, I accept that. I'd wanted some particulars in terms of the areas in which this minister has attempted to nudge his colleagues in some areas of reform, and I'd given some examples. So I'm not unmindful of the constraints on what this minister can do, but I'm still interested in terms of those areas in which he's been able to provide some leadership within his cabinet. Those are the questions I wanted to ask, Mr. Chairman.

Thanks very much.

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

MS CARLSON: Thank you, Mr. Chairman. I have a few outstanding questions that I know the minister will be happy to address.

One of them is with regard to conferences and missions in

program 1, page 239. Would the minister break out the Premier's expenses for us there, please, and particularly for hosting in Tokyo, Hong Kong, and the other offices that you expect to occur over the coming year. We'd like to know the dollar figures on those.

Also, when we take a look at the performance measures, there are some outstanding items listed here, but clearly all of them will be unable to be completed within one year. Can you give us a time line in terms of what you expect to accomplish, specifically in areas like reduction in the number of international barriers, the restructuring of the federal/provincial social programs, and international trade negotiations? You must have some sort of long-term plan to enable you to accomplish that completely. So what does the next year and the second year look like in terms of a time line?

We have a few questions that we also need to have discussed here. One of them is: what percentage of dealings with other governments goes through this department? In the prior year you indicated that no statistics were kept on this, and I'm wondering now if you are tracking this and if you can tell us what major intergovernmental issues or initiatives were developing.

Thank you.

THE DEPUTY CHAIRMAN: Thank you, hon. member.

The hon. Member for Calgary-Currie.

MRS. BURGNER: I think we're deferring to Calgary-Bow.

THE DEPUTY CHAIRMAN: Calgary-Bow, please.

MRS. LAING: Thank you, Mr. Chairman. It's a privilege this evening to ask a couple of quick questions of the Minister of FIGA. Mr. Minister, in the area of internal trade, how is the internal trade initiative progressing, and to what extent is FIGA involved? That would be my first question. Again on the agreement on internal trade, what will the implementation of the agreement cost be for the Alberta budget? As you know, we are trying to keep our budget on the straight and narrow. Would there be any implications for us? My final questions is: what is the FIGA involvement now that the agreement has been signed?

Thank you.

THE DEPUTY CHAIRMAN: The hon. Member for Lac La Biche-St. Paul.

[Mr. Tannas in the Chair]

MR. LANGEVIN: Thank you, Mr. Chairman. It is my privilege this evening to ask a few questions to our Minister of FIGA. First of all, I'd like to commend him for the fine job he's doing in that department for our government.

I'd like to touch on about three items here, Mr. Minister. One is: which role does your department play in the aboriginal issue in Alberta? I know there's a lot of concern about different issues, and I would like to have some comments to see which role you play along with the federal government on this.

Also, there's been an ongoing concern with softwood lumber in this province and the export to the United States. I know that it affects our wholesalers, our mills, and our retailers because any countervailing duties on export of softwood would affect the price and the demand locally as well as the export demand.

My last question also is: what's happening in the NAFTA

dispute on supply management? I would like you to comment on that, and particularly on the poultry, dairy, and ag products produced in this province and across Canada. So if you could clarify these questions for me, I'd be more than pleased to hear the answers.

Thank you very much.

10:00

THE CHAIRMAN: The hon. Member for Calgary-Currie.

MRS. BURGNER: Thank you, Mr. Chairman. I, too, would like to just thank the hon. minister for the work he's done in this particular portfolio. I have to say that it's a privilege to sit on the financial planning standing policy committee that deals with these issues. The minister's always given us a wide range of information to deal with. However, because of the nature of some of the issues that are before us with respect to intergovernmental affairs, I think perhaps it would be appropriate to elaborate on a few of the things that have been touched on.

Most particularly, Mr. Minister, the size of the Federal and Intergovernmental Affairs staff does seem large, even though we have downsized it. I guess one of the questions that has to be asked is why Alberta needs 55 people to handle intergovernmental affairs, when the province of British Columbia can manage on only 16. That's a question I'd like you to give some attention to.

In the summer of this year we will be hosting the annual Premiers' Conference. I appreciate that it is a significant event in Alberta's history and also in our nation's, and I think some attention could be given to the budget of that particular conference that's being held.

The last area I'd like to focus on – I have two questions on it – is the role of the office in Ottawa. It's not something that all provinces participate in, but we've made it a priority within our province, and I think for clarification it would be appropriate to have some discussion in estimates on that. Finally, on that, with the Ottawa office I know there has been some restructuring, and I'd like to know how the Ottawa office has been affected and what steps you've taken to make it more efficient in light of other reductions.

Those are my questions, Mr. Chairman.

MR. ROSTAD: I'm being advised to keep it short.

MRS. McCLELLAN: And you always listen to us.

MR. ROSTAD: Yes.

Mr. Chairman, Edmonton-Centre was speaking about trade with nations that have human rights problems. Granted, there are definitely two looks to each situation, but I think that we try from an Alberta perspective to comply with the federal direction in that, because international trade in the Constitution is in fact their jurisdiction. As an instance it wasn't too many years ago that there was no trade with Taiwan, and since they've released it. South Africa with apartheid, we quit buying their wine because the federal government said that we shouldn't deal with them. We try and work hand in hand in that regard, but I think you bring up some very, very valid points, that we have to continue to watch that we don't enhance regimes that are oppressive or antidemocratic and try and help them to change, if we do continue to deal with them.

Edmonton-Mill Woods wondered about the function of the department from its inception in the early '70s to now and

reflected on at least two or three other departments saying: do we have an overlap? Last year in our estimates we undertook to do a study. In fact, we got an outside consultant to look at our department in its structure and also in the services it delivers. They consulted with other departments, in fact with the Premier. Should we have a department? Should we even have a minister? Could it be subsumed under Executive Council? In fact, it was decided that we should have a department, that we should have a minister, and although there's a perceived duplication, there in fact isn't, because our dealings in international trade are policy.

We work, as an example, with NAFTA. It's our department that works with the federal government in negotiating NAFTA. It's then agriculture or economic development or any of the other departments if they're going to in fact trade goods, such as in agriculture with agriculture components. We don't deal company to company augmenting agribusiness in another particular area. We are strictly with the policy. We did look at whether that policy could be put into another department and would we in fact save. We found that we couldn't, that they would have to in fact duplicate exactly what we had in their department, but we still needed to maintain our department for the federal and international unity issues so that we could manage that and have, I guess, a better brain trust to in fact deal with those items. So we did in fact look at that.

In terms of performance measures, there are no specific objectives listed. They are definitely client surveys. I'll use the example of NAFTA. We as a province are experiencing incredible trade growth because of NAFTA, but our department's involvement in NAFTA was policy oriented. There is no tangible. I mean, there are definitely dollars that are increased in terms of trade, but how could our department measure what dollar component we would be responsible for in that? What we could do is sit down vis-à-vis agriculture, if we were working with policy relating to grain or something like that, and say: what was our advice like? Were we professional in what we did? Were we all-inclusive in what we did? Did we miss something? So we'll know better what direction we might be able to take.

Those client surveys: we'll publish them to let everybody know how we are being measured. That's why we say on each policy issue, which will vary from time to time - we'll do a client survey, and we can't put down specifics because each survey will be designed for that specific policy thing that we're working on. We are not a functional line department in the sense that we deliver programs. We are strictly a policy and advice department.

Calgary-Buffalo. I didn't get to answer all of his questions in the last one, along with others. Our discussions prior to 1997 are still in the formative stages, because frankly we don't know what the issues are. I mean, we can say, "Yes, the Constitution is the issue," or "Yes, the amending formula is the issue." But the federal agenda on this has changed substantially from the time Mr. Dion's predecessor was in place, Marcel Massé, prior to the referendum, after the referendum. Now the discussion of whether the country really wants to talk Constitution specifically or whether we want the word that the Premier brought out, rebalancing - the federal government is also using the same word. Whether we can sit down and look at the various components, jurisdictions in the Constitution of '92 and '93, and find out how do we efficiently and effectively deliver that service - if the province is better at delivering it, then let the province do it; if the federal government is better at doing it, perhaps we should vacate the field and give it to the federal government. Then after a period of 10 years, if we in fact find that we're working in an

effective and efficient way, maybe we can crystalize it in a constitutional change, but up until that time we should work at doing something that's efficient and effective.

I think Meech and Charlottetown showed that if you take the components of the Constitution and try and change them before you get the workings of those in place, it doesn't work. So that's where we're heading for in the discussions prior to '97, but that isn't cast in stone. That will be malleable as we continue to work with our provincial colleagues and our federal colleagues. I'm heartened by Mr. Bouchard's comments to the Premier at his meeting in Quebec, that he will come to the table as long as formal constitutional discussions aren't at the table. I think we need Quebec at the table. I think we need Quebec working with the provinces and the federal government to make federation more efficient, more effective. I think they recognize that with the deficit problem they've got, and I think that we can find some success that way rather than with an adversarial comment.

I think our position is still predicated on the select standing committee report of '91, which very emphatically stated that we believe in the equality of provinces, which was after a number of public hearings that that came. If we're going to deviate from that, we in fact have to come back not only to this House but to the citizens of Alberta through a public consultation and make that determination. Until then our position is still equality of provinces. That equality, which is in the amending formula with the seven and 50, in fact does protect our natural resources. We don't need a veto specifically on natural resources. It is protected under that basis of equality.

#### 10:10

In fact we have as a government said that we don't agree with the recent legislation that came through the federal government that gave vetoes, although Alberta in effect has a veto because of our population vis-à-vis Saskatchewan and Manitoba. We aren't after a veto. We also said we would not use that veto because we believe in equality of provinces, not equality of regions, and until the citizens of Alberta tell us differently, we'll stay with that particular one.

I must admit that the noise in the House prevented me from hearing the questions clear enough from Edmonton-Ellerslie. I will get you the answers once I get *Hansard*, but I frankly don't have them well enough written down to get them definitely.

Lac La Biche-St. Paul asked about softwood lumber. There is an agreement that has been cobbled together between the Americans, British Columbia, Alberta, Quebec, and Ontario. The two main provinces involved are British Columbia and Quebec. Alberta's involvement in this is rather minuscule in the overall context. Although the agreement has been cobbled together, it had more emphasis on those two provinces. The details as they relate to Alberta are still being finalized, and we don't have them out yet. But we hope that this will move the softwood lumber issue off the agenda completely. Certainly in the silly season, as we mentioned earlier in the House, we'll move on and we can get to trading the way we should trade in that area.

Calgary-Bow asked about internal trade and how that was progressing and how we're involved. In July '95 the first ministers signed the agreement, all provinces and the federal government. It was then to be operational during this year, and it has been. In fact, we're the only province that has got any challenges to internal trade. One that comes to mind is that we are challenging the province of Ontario under transportation of hazardous goods. One of our companies in Alberta thinks the Ontario trucking industry is being favoured utilizing some

environmental rule, and we're challenging Ontario on that.

The issue of the MASH sector and its inclusion in the agreement was to have been finalized by July of '96 and in place by July of '96. We are almost a year late in its involvement and have extended the deadline to May of 1997, but in a meeting last week I think we're coming very, very close to an accommodation where the MASH sector will be brought under the program, where it will not be cost-prohibitive or necessitate an awful lot of extra work to the MASH sector, which is not one of the objectives of the agreement by any means. Our involvement has been that internal trade is under the auspices of our department, and we continue to lead as the negotiator.

There was a question relating to the Ottawa office and its role. I think that was Calgary-Currie. The Ottawa office provides reporting to us on parliamentary activities and is able to track some of the Alberta issues as they relate to central Canada, media perspective, and Quebec, but it also is used – and actually the use is increasing – by Alberta Members of Parliament and Alberta people that are active in the Ottawa scene, in getting our perspective out to them. They also brief the federal and interprovincial officials as issues arise in Alberta. It includes analysis of political strategies, public attitudes, media coverage of the Quebec situation. The minister of intergovernmental affairs in the Quebec government works under the same disability that I have. I'm unilingual Anglophone; he's a unilingual Francophone. It's very good to have the Ottawa office staffed by Gordon Olsen, who is fluently bilingual, and it's very, very good to have that context. So the Ottawa office in my view is functioning well.

However, the second part of the question as to whether it's been affected by the restructuring: yes, it has. It had four FTEs, and it is now going to have two FTEs, and we'll be streamlining their operations and how they work in that category.

Mr. Chairman, I will undertake to have all the other questions answered completely, hopefully by the end of this week, and if not, certainly by Monday.

With that, I would move that the committee report when the House rises and reports.

[Motion carried]

MR. DAY: Mr. Chairman, I move the committee rise and report.

[Motion carried]

[Mr. Clegg in the Chair]

MR. TANNAS: Mr. Speaker, the Committee of Supply has had under consideration certain resolutions and reports as follows.

Resolved that a sum not exceeding the following be granted to Her Majesty for the fiscal year ending March 31, 1997, for the Department of Economic Development and Tourism: \$66,275,000 for operating expenditure, \$315,000 for capital investment, for a total of \$66,590,000.

Mr. Speaker, the Committee of Supply has also had under consideration certain resolutions of the Department of Public Works, Supply and Services and the Department of Federal and Intergovernmental Affairs, reports progress thereon, and requests leave to sit again.

Mr. Speaker, I would also like to table copies of the documents tabled during Committee of Supply this day for the official records of the Assembly.

THE ACTING SPEAKER: Thank you, hon. member.

All those in favour of the report, say aye.

SOME HON. MEMBERS: Aye.

THE ACTING SPEAKER: Opposed, if any?

SOME HON. MEMBERS: No.

THE ACTING SPEAKER: Carried.

[At 10:20 p.m. the Assembly adjourned to Wednesday at 1:30 p.m.]

