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8:06 p.m.

[Mrs. Gordon in the chair]

Subcom.D: Economic Development

Subcommittee D – Economic Development

Gordon, Judy, Chairman
Haley, Carol, Deputy Chairman
Amery, Moe
Black, Pat
Boutilier, Guy
Broda, Dave
Carlson, Debby

Coutts, David
Herard, Denis
Langevin, Paul
Lund, Ty
Magnus, Richard
Pannu, Raj
Paul, Pamela

Pham, Hung
Sapers, Howard
Shariff, Shiraz
Taylor, Lorne
West, Stephen
White, Lance

THE CHAIRMAN: Could I have everyone take their seats, please.

We're in Committee of Supply tonight to debate the estimates of the Department of Economic Development. This provides an opportunity for members to ask detailed questions about departmental responsibilities and expenditures.

I would ask the hon. minister if she would lead off, and then we will have debate from the members. I would remind all members that at some point in time the minister probably would like to answer some of your questions.

Go ahead, hon. minister.

MRS. BLACK: Thank you very much, Madam Chairman. I'd first of all like to start by introducing some of the officials who are accompanying me here this evening. I have my Deputy Minister of Economic Development, Roger Jackson; the director of finance and administration for Economic Development, Susan Williams; president of Alberta Opportunity Company, Jim Anderson; the acting chairman of the Alberta Gaming and Liquor Commission, Norm Peterson; the acting CEO of AGLC, Roy Bricker; my EA for Economic Development, Tim Wade; and my EA for gaming, Celeste Santos. They're here to listen and make notes of some of the questions coming forward.

I am very pleased to be able to submit for your review and approval the 1998-99 estimates for the Department of Economic Development and the related agencies for which I'm responsible: the Alberta Gaming and Liquor Commission, the Alberta Economic Development Authority, the Alberta Opportunity Company, and the Alberta lottery fund. Estimates for the lottery fund, however, will be discussed on a separate date, on March 17. I would like to report to you on the state of Alberta's economy and on my ministry's plans to continue to create the climate for growth, investment, and jobs within the province.

I'd like to start off first of all with a review of 1997 and begin with making a statement to this audience that was made, actually, within the media. The media said:

Alberta has one of the most robust economies of all industrialized nations in the world, and is expected to help push the Canadian economy ahead of other G-7 countries during the next two years.

This statement comes from an economist at the Royal Bank of Canada and is typical of the positive reviews that our province is generating not only here at home but across Canada and abroad.

Today our province is reaping the benefits of a balanced budget, a streamlined government, a favourable tax climate, deregulation, and more recently, the benefits of a substantial paydown of our net debt. Alberta's economy is firing on all cylinders, ladies and gentlemen. Growing employment, robust investment, thriving business activity, and a fiscally prudent government are paying off in solid, broad-based economic growth.

I think the term "broad-based" is particularly important. As the Alberta Construction Association put it:

Interestingly, this economic growth is not confined to a specific region of Alberta, nor is it confined to a specific business or industrial sector.

This isn't just opinion, Madam Chairman; it's hard, cold facts. Just look at the numbers on Alberta's economy in 1997.

Our real gross domestic product went up by an estimated 5.5 percent, the fourth highest growth rate since 1981 and nearly double the 2.9 percent growth that we averaged from 1990 to 1996.

Employment in Alberta grew by 3.1 percent, the highest growth among all the provinces and a whopping 60 percent higher than the national average rate of employment growth. With only 9.4 percent of Canada's population, our province created 18 percent of its new jobs last year. A record of 1.456 million Albertans were employed in 1997. That's 44,200 more than in 1996. Alberta's unemployment rate averaged 6 percent, our lowest unemployment since 1981. This was the lowest average rate among the provinces and well below the national average rate.

Retail sales were up an estimated 13 percent, the highest growth in Canada, and once again Alberta led the country in retail sales per capita.

Housing starts grew by an amazing 42 percent to 23,671 in 1997, the highest annual level in 15 years and the highest growth rate among all the provinces.

Drilling activity jumped by 30 percent. The number of rigs drilling in 1997 was the highest since 1980.

In the first nine months of 1997 Alberta gained a net total of 26,028 people from other provinces. That's higher than any annual total since 1981.

According to the latest data from Statistics Canada, businesses invested 23 percent more in 1997 than they did in 1996. That's the highest growth rate for investment since, again, 1981.

Manufacturing shipments climbed by 12 percent in the first 11 months in 1997, again the highest among all the provinces.

Average weekly earnings per worker increased by 4 percent in 1997, almost double the national average.

So what's the outlook for 1998? We can say that 1997 was a great year – and by and large it was a great year – and that you can't surpass it, but I am pleased to say that I believe the outlook for 1998 will go well beyond that of 1997. The Investment Dealers Association says that the fundamentals are in place for our province to sustain its growth for several years. The vice-president and deputy chief economist of the Toronto-Dominion Bank says we have momentum, having stood out as the economy to watch for the better part of the decade. The senior economist at the Canadian Imperial Bank of Commerce expects to see years of growth in Alberta, calling this province "the place to be."

Looking at 1998 and beyond, we expect Alberta to continue to benefit from a moderate, sustainable growth from our major trading partners, low inflation, and low interest rates. In 1998 we expect Alberta's economy to grow by 4.6 percent in real terms.

This will be Alberta's 12th consecutive year of economic expansion, but the TD Bank's chief economist calls it "the most broad-based strength in years."

Alberta's domestic economy is forecast to remain strong, led by healthy consumer spending and investment. Consumer spending should be driven by steady employment growth, increased net migration, and continued increases in wages. Consumer spending should receive a boost from the tax reduction announced in Budget '98. The one-and-a-half point tax cut should increase Albertans' total personal income by \$123 million in 1998 and real GDP by \$200 million as a result of multiplier effects.

Residential construction is also poised to do well in 1998, with housing starts in Alberta expected to rise by another 10 percent to 26,000 units.

We're expecting business investments to grow rapidly as numerous major projects start construction, including more than \$2 billion in manufacturing investment in 1998. This has been aided by the ongoing phaseout of the machinery and equipment tax, more than a billion dollars in industrial/commercial construction for this year, and plans to invest over \$18.5 billion to develop new oil sands projects and expand existing facilities over the next five to 10 years.

Reflecting the growth in agricultural processing, advanced technologies, and petrochemicals, we're expecting healthy growth for the manufacturing sector, with shipments to increase at least 5 percent for 1998.

At the end of the day in 1998, Alberta's economy should create 40,000 new jobs, an increase of 2.7 percent compared to 1.9 percent federally. The unemployment rate should average 5.5 percent for this year. This would be the lowest unemployment rate since 1981. Meanwhile, the national unemployment rate is expected to average roughly 8.5 percent.

Alberta's low unemployment rate will continue to attract job seekers from other provinces. These new Albertans will need housing and consumer goods. Their spending will encourage business to expand and create more jobs.

Alberta's healthy fiscal position has translated into \$500 million in personal and business tax cuts since 1993, contributing to a vigorous business environment. In fact, business incorporations in Alberta reached a record 25,000 last year. All of this should generate a solid economic growth from 1998 to 2001.

We're forecasting Alberta's economy to grow by an average of 3.8 percent per year, and we expect employment over this period to grow by an average of 2.6 percent per year.

So what is the role of Economic Development in all of this? Well, Madam Chairman, it would be easy to sit back and say, "Let's watch the economic statistics pile up for 1998 or beyond," but that's not the way Albertans work. The people of this province understand the old adage that even if you're on the right track, you shouldn't stop or you're liable to get run over.

8:16

I would like to highlight the plans of Alberta Economic Development to help us continue to build on our Alberta advantage. Alberta Economic Development focuses on the government's core business of prosperity. It's mission is "to enhance and promote the Alberta Advantage, building a strong and prosperous economy for all Albertans." It achieves this mission through three core businesses: the first, strategic information and external relations; the second, industry development and investment attraction; and the third, trade and international market development.

To achieve these ends, the department has five key goals: promoting the Alberta advantage by monitoring and recommend-

ing improvements to elements of the business climate; secondly, providing quality and timely information across government, to the Alberta Economic Development Authority, and to departments of various clients and to help make informed decisions affecting economic development; thirdly, supporting continued growth and competitiveness of Alberta's businesses in a responsible manner; fourthly, facilitating effective economic planning through our council of economic ministers and maintaining an effective organization which provides a positive work environment.

Our approach to economic development has changed dramatically over the last few years. Having shifted from rowing to steering, we have become a facilitator. Building on the recommendations from last fall's Alberta Growth Summit, we will manage the opportunities and challenges of growth through expanded partnerships with business leaders, organizations like the Alberta Economic Development Authority, community groups, and through the recently created Council of Economic Development Ministers. We will work together on a number of priority projects. For example, the department will work with the Alberta Economic Development Authority and Alberta Treasury to assess our province's overall competitiveness in terms of taxation. We will benchmark our position on all aspects of taxation and regulation relative to major competing jurisdictions. In response to pressures of growth, we will identify and evaluate major needs in terms of infrastructure to support expansion in areas such as agriculture, energy, forestry, manufacturing, and tourism.

On the subject of tourism we will work with the industry to find a new partner to promote our province as a world-class tourism destination.

In the area of international trade we will continue to co-ordinate efforts such as the Premier's mission to Asia Pacific and Alberta's participation in Team Canada's mission to Latin America. We will review our regional and foreign offices and our participation in international trade shows and determine whether we need to boost our international presence.

Madam Chairman, those are some of the priorities that we will pursue in the year to come. Now I'd like to highlight some of the budgetary issues.

The ministry continues to do better for less. Its total estimates add up to \$114,537,000, which is down 4 percent from the comparable estimates of 1997-98. The budget for the Department of Economic Development is \$38,897,000. The first program, ministry support services, is responsible for the offices of the minister and the deputy minister, finance and administration, funding for the Alberta Economic Development Authority, and funding for the standing policy committee on jobs and economy. Its total budget is \$4,314,000.

Our second program, marketing and business development, includes strategic resources, international markets and regional development, and industry development. Its total budget is \$26,783,000, and its capital budget is \$415,000.

The Alberta Opportunity Company is also funded through the ministry. Over its 25-year history it has made a large contribution to Alberta through our primary vehicle for job creation and through our small business communities. The Alberta Opportunity Company proposes to approve loans to about 350 businesses in 1998-99, helping those businesses to create and sustain a further 2,400 jobs in our province. These loans will amount to \$35 million in 1998-99, with \$37 million the year after and \$39 million the year after that, increasing its loan portfolio by 28 percent by 2001 at no extra cost to government. As well, we provide \$3.5 million in financial assistance to support the development of new exporters and the growth of existing exports out of the province. Its operating grant of \$5,407,000 is 19 percent lower than it was last year.

The Alberta Gaming and Liquor Commission, for which I am also responsible, is an independent, impartial, autonomous tribunal. The commission develops policy, collects gaming and liquor revenue, disburses provincial lottery revenue and licences, and regulates and monitors gaming and liquor activities in the province. The board of the Alberta Gaming and Liquor Commission is a quasi-judicial body that may hold an inquiry into any matter that pertains to the Gaming and Liquor Act. In addition, the commission administers the lottery fund established under the Interprovincial Lottery Act.

In 1998-99 we estimate gross revenues from lotteries, liquor, and gaming to be in excess of \$1 billion, slightly down from the estimated revenues for 1997-98. The revenues of the Alberta Gaming and Liquor Commission include approximately \$659 million from VLTs, ticket lottery sales, and slot machines, up slightly from last year's estimate, primarily due to an anticipated increase in ticket lottery sales. Revenue from liquor products is estimated to be \$420 million, down slightly from last year's comparable estimate. This decrease is the result of a flat markup decrease implemented in September of 1997 as a result of this government's commitment to liquor revenue neutrality. VLTs, slot, and ticket lottery revenues are transferred directly to the lottery fund. Liquor revenues are transferred directly to the general revenue fund.

The commission's operating expenses are estimated to be \$70,233,000, which is 1.5 percent less than last year's estimated operating expenses. Major components of the operating expenses are amortization at \$20 million, salaries and benefits at \$17 million, communications at \$5 million, ticket pricing at \$5 million.

Madam Chairman, this concludes my opening remarks on the estimates of the Ministry of Economic Development and the agencies for which I am responsible. I'd like to thank and commend the management and staff of Alberta Economic Development for their continued dedicated efforts and their professionalism, particularly over this last year of restructuring. Their performance is particularly noteworthy during some very difficult times that we have gone through readdressing some of the issues that face Economic Development within the province. I'd also like to thank the people at the commission and at Alberta Opportunity Company for the redrafting of their business plans and the refocusing that they have gone through.

At this time, Madam Chairman, I'd like to take the opportunity to hear from colleagues around the table and to answer as many questions as possible. I will say this: in the past if I haven't got to all the questions, I will make a commitment to the committee that I will get back to them as quickly as possible in writing, and I think I've demonstrated that we filed those quite quickly after the estimates in the House. So I welcome questions from colleagues at this time.

THE CHAIRMAN: Thank you very much, hon. minister.
Edmonton-Castle Downs.

MS PAUL: Thank you, Madam Chairman. I'm pleased actually to have this opportunity this evening to participate in the consideration of the 1998-99 estimates for the Ministry of Economic Development. As you're probably aware, I did inherit this critic portfolio after the hon. Member for Lethbridge-East joined the leadership race. So if you could bear with me, I'm going to make a few observations and do a quick overview, and then I have a number of questions with respect to, first of all, tourism, which is near and dear to my heart.

It needs to be acknowledged from the onset that the Ministry of

Economic Development will be a key participant in developing and implementing the strategies and actions required for sustaining the climate of economic growth in our province as we enter the new millennium. For the past five years this government's economic development strategy has focused on the financial and economic bottom line, that being job creation, manufacturing, the service industry investment, manufacturing of service exports, manufacturing shipments, et cetera. These are all contained in the three-year business plan, and they are critical elements in planning policies and actions that respond to the pressures of growth within a global economy.

8:26

However, I believe that economic policy cannot be developed in a vacuum where statistics come before people. Our vision of economic development in Alberta must be broad enough to encompass the human elements that underpin our competitiveness as a society: an accessible and quality publicly funded health care system, an education system that prepares our children to compete in the global economy, a social safety net that protects our most vulnerable and gives them an opportunity to succeed in our society, a small business sector that has the capacity to generate jobs and wealth, and a labour force to meet the challenges and opportunities of the global economy.

I believe that this broad-based vision of growth, being fiscal, economic growth and human growth, is currently lacking in the economic development strategy in this province. The issue is how we create a more direct link between the elements of economic growth and human growth to develop an economic development strategy that will take advantage of our province's potential. I hope that the minister will take this issue of linkage into consideration as we go through the ministry estimates and the three business plans for this evening.

Let me talk briefly about two areas of particular interest to me: small- and medium-sized businesses and tourism. I know both of these sectors intimately since I was a small tourist operator in the province of Nova Scotia a number of years ago. Small business is the backbone of our Alberta economy. Over 90 percent of businesses in Alberta have fewer than 20 employees. Between 1995 and 1996 small businesses created 62 percent of the jobs in this province. But I don't see the same attention paid by the government in its economic development strategies to the interests of small- and medium-sized businesses as what seems to be the case for big business. I see reductions to the machinery and equipment tax, but I do not see any consideration in terms of a reduction to the small business tax rate, the development of a network of small business incubators, the promotion of micro or home-based businesses or a reduction in the user fee and regulatory burden imposed on small businesses.

I do see increased downloading of responsibilities to local municipalities. Local governments have been required to increase property taxes and business taxes or impose a vast array of user fees. These have imposed significant additional costs for small businesses within our communities.

Tourism. This is an issue that has been in the news over the past six, seven, eight weeks as a result of the decision by the minister to terminate the government's contractual arrangement with the Alberta Tourism Partnership. I know that we will have an opportunity to discuss this issue in further detail this evening.

Let me say that I am concerned about this government's commitment to tourism when I see a ministry entitled Economic Development without tourism attached to it. I did speak briefly to the minister in that respect. I don't see much being mentioned in terms of tourism promotion in this business plan. It is not even

mentioned as a key external economic growth indicator. To my way of thinking, a \$3.5 billion enterprise would be enough growth to be included in the ministry title.

As I have indicated to both the Premier and the minister, tourism is one of the pillars for economic growth, investment, and job creation in this province. The tourism operators that I've spoken to throughout the province over the past seven, eight weeks want to know how this government plans to sustain growth in the tourism sector by this interim arrangement with Price Waterhouse and the six-month process to search for a new contractor. Momentum is the name of the game in tourism. I am concerned that momentum has been lost due to a somewhat hasty decision to terminate the arrangement with ATPC without having a concrete and well-defined backup plan in place.

So with the need to develop a broad-based vision of economic development as a key issue, I would like to proceed to address the Ministry of Economic Development estimates for 1998-99. As I stated earlier, Madam Chairman, now I'm going to be getting into the question aspect of my presentation. Would the minister be answering the questions as I give them? Later?

THE CHAIRMAN: It's usual, hon. member, that maybe two to three speakers speak, and then we ask the minister to answer questions. In actuality, it is up to the minister at what point in time she wishes to intervene.

MS PAUL: Okay, Madam Chairman. Thank you for the clarification.

I stated earlier that the tourist industry is the fourth largest industry in Alberta, generating \$3.5 billion in annual revenues. The objective is to generate even more than that, \$4.4 billion by the year 2000. My question is: what impact has the cancellation of the contract had on the tourism business in Alberta? I'm making reference to the estimates, page 104. The tourism operators are very worried that the cancellation of ATPC contract will reduce their tourism revenues.

My second question is with reference to performance information. There has been some dispute as to whether ATPC has met the leveraging ratio of 2 to 1 specified in the agreement. The hon. minister claims that the internal audit suggests that performance criteria were not met. ATPC has produced a report conducted by Coopers & Lybrand indicating that ATPC has attained a leverage ratio of 3 to 1. On January 19, 1998, a letter from Duncan and Craig to ATPC indicates that ATPC has met the legal reporting requirements of the contract and that the ministry is generally satisfied with the performance. So my question to the minister would be: could she explain the discrepancy between the performance information used by Connors, Hind & Lim, which suggests that the leverage ratio of 2 to 1 was not achieved, versus the leverage report submitted to the department by ATPC, which seems to indicate an achievement of the 2 to 1 ratio. Also, Madam Chairman, that's with reference to the estimates, page 204.

My next question would be also with regards to performance information. I would like to know what performance reporting benchmarks were established to evaluate the contract performance by ATPC over the past two years, particularly, as I've asked before, the leverage ratio established between industry and Crown contributors. What were the terms of reference established for the internal audit which was appointed by the department to address the concerns of the Auditor General's 1996-97 annual report?

Madam Chairman, I would like the minister to maybe elaborate a little bit as to: were there any client satisfaction surveys conducted by ATPC and the Minister of Economic Development to assess the performance? That, of course, again is on page 204.

THE CHAIRMAN: Hon. member, can you explain page 204?

AN HON. MEMBER: It's a line item.

MS PAUL: Sorry. All these books.

Okay. My third or fourth question. I'm losing my train of thought here. A question that has been asked of me by a lot of the tourist operators across the province: why did the current Minister of Economic Development not appoint government representatives to the ATPC board of directors to replace the MLA and the former assistant deputy minister? There has been concern that representation was not made by the government on that particular board.

It's important to note that article 21 of the agreement with ATPC provides for a dispute resolution procedure for the two parties in the contract. Did the minister consider using the dispute resolution provisions prior to the January 16, 1998, decision to terminate the agreement with ATPC? If not, why was the dispute resolution provision not considered as an option by the Minister of Economic Development?

8:36

I would like to know how much it will cost the Ministry of Economic Development to hire an independent management contractor to rewrite the tourism contract and proceed with a request for proposal process? Who will pay for it?

Madam Chairman, I would like to know: who will pay the severance costs for the 55 ATPC employees? How will the interim management team ensure that the provisions of the contract with respect to planning, performance evaluation, and accountability – for example, leveraging reports, budget, financial and accounting, and payments – are enforced and maintained?

What mechanics will be put in place by the government or the interim management team to ensure that contracted tourism representatives are in place in the U.K., Europe, Australia, New Zealand, Chicago, New York, Tokyo, and Washington, D.C., representing the interests of Albertans?

Madam Chairman, I would like to know if Price Waterhouse is being required to renegotiate with respect to the ATPC contracts and commitments with third parties such as key performers, advertising agencies, foreign representatives, and suppliers. If so, which contracts?

I would also like to know: what input has been received from tourism operators over the past month on how best to deliver government/industry funding to the tourism industry through the partnership? I think I've asked this question probably in many different ways.

How will the minister provide further details on the role of the Auditor General to provide an advance review of the performance measures and accountability provisions within the new contractual agreement prior to the request for proposal process?

Madam Chairman, my next set of questions will be on AOC, the Alberta Opportunity Company. I'm interested in a few questions with respect to the operating grant. Will the minister provide further information on the internal review of AOC operations that were conducted during the fall of 1997? What were the results of the review, and how are they reflected in the AOC business plan?

With respect to this question, I did ask this in the House in a little different context. Of the \$35 million in loans projected to be approved during 1998-99, the \$37 million projected to be approved in the year 1999-2000, and the \$39 million projected to be approved in the year 2000-01, what proportion will be used to finance the purchase of existing businesses, the refinancing of

debt, and financial reconstruction?

Madam Chairman, will the minister provide an update on the total replacement by the AOC under the export financial assistance program since April 1, 1994? Have any payments under guarantee been made under the export financial assistance program since its inception? Will the minister indicate what impact a reduction in the number of FTEs at the AOC from 84 in 1997-98 to 63 in 1998-99 will have on service levels?

With those questions, I am going to hand over the helm. I have a number of other questions, Madam Chairman.

THE CHAIRMAN: There's four minutes left, hon. member.

MS PAUL: Okay.

I'll ask one more question on the Alberta Opportunity Company. Will the minister explain why there has been an adjustment to the provision for doubtful accounts during 1997-98 from a budget of \$3.37 million to the forecast \$4.043 million? That's in the estimates, page 117. Will the minister provide a breakdown of the components of the budgeted versus actual provision for loan losses by the following categories: charge for losses on realization, charge for loan losses, write-offs, specific allowances for loan losses, and general allowance for loan losses?

So with those few questions and comments, Madam Chairman, I will conclude for this evening and hope the hon. minister can answer some of my lengthy questions.

THE CHAIRMAN: Thank you, hon. Member for Edmonton-Castle Downs.

What I was laughing about a minute ago was if anyone's got any WD-40 here, Rob's chair could certainly use some.

The hon. Member for Calgary-Buffalo.

MR. DICKSON: Thanks very much, Madam Chairman. Good evening, Madam Minister, and congratulations.

Madam Minister, I've got a number of questions, and I'll take you first to some omissions I've identified in the business plans. I note there's no information either in the estimates or the business plans of your ministry with respect to capital investment or a change in the number of FTEs over the next three years. So I'd specifically ask – and this would key in elements 2.1.4 and 2.3.3 – will the minister provide information on plans for capital investment by your ministry for 1999-2000 and 2000-01? It's \$415,000 in the 1998-99 estimates. Since the minister, I think, has made it clear that in this department they're focused on the three-year plan, it would be important to share with us what the estimates are for those next two years.

Will the minister provide information on plans for FTE levels in the Department of Economic Development and AOC for '99-2000 and for 2000-01? You indicate at page 121 of the estimates book that we're looking at 256 FTEs in '98-99, but we're trying to understand what the change will be in each of the other two years.

Will the minister provide a breakdown of ministerial expenses by object – and that's significant, by object – for 1998-1999 for the following components? I'll identify seven: firstly, salaries in terms of permanent positions; two, salaries, nonpermanent positions; three, wages in terms of contract employees; four, travel expenses; five, advertising; six, telephone and communications; and seven, hosting. So I'd be interested in that breakdown, Madam Minister.

In your income statement in the estimates book there's reference to \$750,000 in other revenues anticipated by the department in the current fiscal year. Will the minister provide us with a break-

down of sources for that aggregate sum of \$750,000?

Now, Madam Minister, when I looked at page 108 of the estimates book, I note reference there in terms of the new economic planning framework, that's described as one of the goals. I'm wondering: what were the recommendations of the Coopers & Lybrand report that had been commissioned by the minister in the spring of 1997? The purpose of the report, as I understood it, was to examine the feasibility of restructuring within the department beyond the changes that had been announced by your ministry in July 1997. All of this relates to that new economic planning framework. So I'm interested in that response. Will the minister release a copy of the Coopers & Lybrand report?

Now, the Council of Economic Development Ministers is touched on on page 110 of the estimates book, and I'm wondering and I expect Albertans are wondering: are there any formal terms of reference for the Council of Economic Development Ministers? My understanding was this was to serve as sort of a vehicle for some strategic planning, and somehow I understood this was independent of the standing policy committee, which was also supposed to be doing some policy development. But that's not clear to me and, I suspect, not clear to Albertans. So if you could indicate, as I say, what the formal terms of reference are for the council. If there are written terms of reference, would you share those with us, Madam Minister? If they're in written form, you could simply provide us with a copy. Would you indicate what issues were addressed by the council in 1997-98 and what issues are on the agenda or at least within your contemplation to be dealt with in 1998-1999?

8:46

Now, a number of questions with respect to program 1, ministry support services, and I'm going to jump around a little bit. I'm always intrigued by element 1.0.5, the standing policy committee. It looks like we've gone from \$85,000 to \$86,000. Perhaps you could advise how many meetings have been held over the last fiscal year by the standing policy committee. Does any part of the budget for the operation of the SPC come from the Conservative caucus budget, independent of your ministry? Perhaps you could indicate how many written or oral submissions have been received in the last year by agencies, corporations, individuals. These would be submissions received in open meetings, Madam Minister.

I'm still focused on program 1, ministry support services, 1998-99. Will the minister indicate how many FTEs are employed in each of the four subprogram areas? As I understand it, you've got the minister's office, the deputy minister's office, finance administration, and then you have the Economic Development Authority. So if you could indicate what the FTE complement is and how it's distributed among those four different subprogram areas, Madam Minister. What are the projections for the next two years, 1999-2000, 2000-01?

With respect to ministerial support services, Albertans will note that there is an increase in that budget from \$3.7 million last year to \$4.5 million, almost \$4.6 million, in 2000-01, an increase of \$784,000, or 20.8 percent over four years. How do you justify that increase, Madam Minister? What different activities are planned in terms of ministerial support services that would warrant that increase over the next three years?

What's the breakdown, Madam Minister, of the support service budget for '99-2000 and 2000-01 by subprogram? By subprogram I mean the minister's office, the deputy minister's office, finance and administration, Alberta Economic Development Authority, and the SPC.

With respect to the minister's office – and I'm referring specifically to element 1.0.1 – would the minister explain for me the reasons behind the 42 percent difference, a very substantial difference, between the 1997-98 estimate that was \$383,000 in terms of ministerial office expenses and the 1997-98 forecast of \$223,000? Will the minister explain the reasons for then reinflating the ministerial office budget back up to \$384,000 in '98-99? In other words, if the forecast is so markedly different from the budget item, why would we go back and reflate the number? Maybe the number ought to be smaller on a continuing basis, Madam Minister. I'm sure you have an explanation you can share with us on that.

If the minister will break down her minister's office budget for 1998-99 by the following seven components, the same components I enumerated a few minutes ago in a different part of your budget: permanent position salaries; nonpermanent position salaries; three, compensation to contract employees; four, travel expenses; five, advertising; six, telephone and communications; seven, hosting.

It's interesting, Madam Minister. You may be familiar with what happens in New Zealand where the counterpart to your office in that jurisdiction, when they talk about quality indicators and benchmarks, they include things like correspondence from the public, the number satisfied, the number unsatisfied. I think it's an interesting idea. I think it would be a useful sort of thing. If you've considered including that or have decided not to – you have to make a conscious decision – perhaps you could share that with us. I know your government has been much impressed with things that New Zealand has done in the past, speaking of the government in a corporate sense, Madam Minister, if not for individual ministers. I'd be interested in your comments with respect to that. I take it from your body language that you're not a big fan of what's happened in New Zealand, but I'm going to put to you the next question because it was on my list, and I think Albertans may still be interested.

MRS. BLACK: I think you've changed the script here.

MR. DICKSON: I've been changing the script all evening, Madam Minister.

What benchmarks have been established for the number of replies to Legislative Assembly questions; that's questions in the House, ministerial correspondence, motions for returns, written questions, reports to cabinet and Treasury Board? What sort of time frame or due date benchmarks have been established for ministerial correspondence, MLA correspondence, public correspondence? Part of the reason for asking that is that if one looks at motions for returns and written questions, your department is – and I don't have a statistical breakdown – frequently the recipient of some of those motions for returns and written questions. There's a great deal of interest in the benchmarks you establish. I'd think you would want to encourage that public interest in the benchmarks of your department, so we're interested in working with you, Madam Minister, in ensuring that we have the best, most useful kinds of benchmarks we can establish. That's the reason for those comments.

Moving on to element 1.0.2. Will the minister explain the reasons for the 4.8 percent difference between the '97-98 budget estimate and the '97-98 forecast?

Then, finally, dealing with element 1.0.2, what outcomes are used to evaluate the performance within the deputy minister's office and how it links to the mandate of the ministry?

MRS. BLACK: That was the deputy minister?

MR. DICKSON: Yes. Thanks, Madam Minister.

Moving on to 1.0.3, finance and administration. I'm curious why finance administration is receiving a 19 percent increase in its budget during 1998-99. I'm sure there's some compelling, good reason. I didn't hear that in your overview. If you mentioned it, I'm sorry I missed that, but if you haven't already addressed that, then if you could share that information with us, it would be appreciated. There's an increase of 22 in the departmental FTEs in the current budget year. How much of that increase of 22 is due to the increase in the budget of finance administration? I'm just wondering whether you can follow that through. You've got a bump up in your finance administration. Does that reflect all of the new people in terms of FTEs?

8:56

In finance and administration, Madam Minister, what additional activities have been planned or are contemplated to justify the budget increase? What specific activities are planned in the financial services unit? What specific activities are planned in the administrative services unit? What specific activities are planned in the information technology unit? What activities are planned in the business planning unit? How much of the finance and administration budget deals with the development of business planning and performance measurement processes across the department? That's not apparent in any of the budget material.

Madam Minister, there have been some initiatives taken by finance and administration, and I'd like to touch on some of those and ask you to update us in terms of what kinds of results have been achieved, and if no results have been achieved, we'd be interested in that too and in these different areas. I'll just enumerate them now. There are six. Firstly, the development of the core relational database. The second item would be the plan to integrate client-related information for access across the department. The third project that your department had undertaken was implementation of the SMARTT system to support visitor information centres. If some of these have been abandoned over the course of the last year, I expect you'd just be able to tell us that. Number four, the enhancement and upgrading of internal and external information systems. The ones that we know of: issues management, correspondence action requests, international business information system, investment management strategy application. What's happened in terms of enhancing and upgrading those systems? The development of the resource management information system project. That was supposed to prepare the department's interface with the governmentwide financial and human resources information system.

Madam Minister, I thought you were scowling at me. The acronyms are those used in your department, and I was putting them to you because I thought you and your officials would be most familiar with them.

The sixth item we'd like an update on is representing the department in Treasury-led interdepartmental initiatives to co-ordinate departmental plans and priorities.

Moving on to a different area, you've got a management job evaluation team, which we understand had been reviewing all existing management jobs in the department. On the face of it that sounds like a positive initiative. Can you provide us with an update of any results achieved from that initiative, please? Once again I didn't hear particulars of that. You may have alluded to it in your opening comments, but I didn't hear particulars on that, and that's why I ask this specific question.

Then, Madam Minister, I'm sure you will have anticipated my question in terms of: how many applications or requests under the freedom of information act has your department received in '97-

98? It would be so much easier if you can convince your colleague in Labour simply to collect all the stats on a pan-government basis instead of me rushing around from minister to minister to ask this question. [interjections] They're suggesting they were trying to wear me out.

Element 1.0.4. That element is the Economic Development Authority. I've got what I hope will be some interesting questions for you, Madam Minister, in this area. Perhaps you could summarize what actions have been taken by AEDA in conjunction with the department during this last year to attract new investment, keep business competitive. I mean, you certainly talked and you should talk proudly of the economic performance in a host of areas, but I think what we're trying to do is link what the people in your department have been doing, you as minister and everybody through your department, the kind of nexus or the kind of connection there is between what's happening in the department that we're paying for as taxpayers and the economic results.

You may simply say that you're entitled to take credit for all of the strong economic performance provincewide. No doubt you can claim much of the credit, but I think we're trying to evaluate with a reasonable degree of rigour just where there's a causal connection and where there may not be. So we're interested in terms of actions taken by AEDA to ensure a globally competitive tax regime. Number two, we're interested in actions by AEDA to improve the ability of start-up and early-stage companies to access equity capital. We're interested in AEDA's specific actions to remove and streamline regulations that might be seen as limiting the competitiveness of Alberta companies. What activities are planned for 1998-99 in the same area, Madam Minister? What role did AEDA play in the Alberta Growth Summit as relates to linkage with business and industry sectors?

Maybe I'll get an opportunity to finish my questions later, Madam Minister.

THE CHAIRMAN: I'm sorry to inform you, hon. Member for Calgary-Buffalo, but your time's up.

Hon. Minister of Economic Development, would you like to respond to some of the questions you've heard thus far?

MRS. BLACK: Thank you very much, Madam Chairman. I think for some of the breakdown of the individual lines into specific salaries of people and that, I'll have to get back to hon. members with the details on that.

I'd like to start off by talking about the change that's occurred in the Department of Economic Development over the last year and give a general update as to the effect of the changes that have occurred, which I'm sure is going to answer a number of questions on the FTE component side, et cetera.

I will say in preface that I really don't like the term FTE. I learned when I first became a minister five years ago that FTE is a fictitious thing, as far as I'm concerned. I like to find out how many actual warm, breathing bodies are in a place. FTEs tend to be people who are on permanent employment, and then you can have a whole bunch of contract people. I don't like it when we have that. I like to know how many warm, breathing bodies are actually there. We have not increased the manpower component within this industry over the last year. We have in fact taken people and shifted people around into, I believe, areas that they are more appropriately suited to work within.

In the restructuring model we said we had to focus on things that were in the 1990s and moving towards the year 2000 so that we could maintain the competitive advantage of Alberta, and that meant doing a number of things; first of all, looking at where some of the initiatives could take place within the province,

whether they were in the agriculture area, the forestry area, the tourism area, the petrochemical area, the mining areas, the technology areas. Wherever there was an opportunity for economic development, we had to be able to be there to provide the best type of information and facilitation that could be found within a government.

[Ms Haley in the chair]

You say: what is the role of Economic Development within the government? Well, it is to bring together the components so that people who are potential investors, people who are consumers, people who are looking for opportunities can either unilaterally or through partnerships come together to create those economic development initiatives. But that happens only if there is a breakdown of barriers between departments, because economic development really occurs not only by the private sector, but it is impacted by government policies and directions and initiatives. That occurs throughout government, not just within the Department of Economic Development. So the restructuring model was really to tear down the barriers between departments, take silos down, and have government departments working together across departmental barriers to make sure that regulations and legislation and rules that were coming forward were complementary, not contradictory, so that as initiatives came forward, before they got started, there was a clear set of rules laid out so everyone could move forward and make a clear corporate decision as to whether to develop and invest within the province of Alberta. That was why the restructuring model took place and created the divisions of strategic resources and of course business development.

9:06

The strategic resources area, which is fundamentally important – that is the gathering point of the intelligence from across government – will bring in those types of regulations for review. We've spent four years reviewing the regulations within departments. Now we have to go across government departmental lines, and that's not been easy because it's different. It's tearing down silos and barriers. I'm pleased to say that my cabinet colleagues have been supportive of the move and have worked very diligently to help us tear down those barriers, but it has not been an easy one, to change the way government operates. We've tried to do that, and we're not finished. I don't think you ever finish that process of tearing down barriers and sharing strategic information.

We are building in our system a database that is coming from information and intelligence that is already there in other ministries and from stakeholder groups to bring it to one central area so that not only can the government access this information but also the stakeholder groups and the potential investors and businesses so they can have the best intelligence to make wise corporate decisions on investment models that they would bring into the province.

This has been a total change in the way a government would operate. Normally a government would be dictatorial in what they thought were the best types of investments. By bringing the Alberta Economic Development Authority directly into the process, we have gained the best advantage of both worlds in that we have the private sector, who has to do the economic development, right out in front working with us to look at strategic directions for the government insofar as regulations and policies but also having the responsibility at the end of the day to do the actual economic development. That has to be done. It begins and it ends with the private sector. Our role is to facilitate and encourage and make sure we don't have disincentives in the way

for that economic development to occur.

So by working across departmental lines and directly with our private-sector groups like Alberta Economic Development Authority, we were able to join together two worlds that historically and quite frankly in every other jurisdiction – we believe at least in North America – are totally separate. We were able to gain the best intelligence and the best ability to look at strategic directions by coming together.

This is at the beginning stages, and it's critically important, I believe, to have a focus on economic development. Quite frankly, the results from the province this last year, when you look at who had the best unemployment rate, who had the largest or greatest increase in housing starts, new business starts, economic growth overall, the activities in our industrial development, the committed capital investments – these things are all working, and they're not because of any one policy or direction. It's because it's come together as a team. The concept in Economic Development today is team projects. That doesn't necessarily mean that Economic Development is even the lead in a project. If the expertise is in a different department, they are the lead on the project.

The Member for Calgary-Buffalo asked about a project that's gone forward. Well, one of the first ones that we looked at in this new structuring model was: how would we access markets? As you know, when you're evaluating economic developmental projects, it's one thing to identify the resource to be developed. It's one thing to identify the market, but you have to be able to get there, and one of the first initiatives that we looked at was transportation.

The Minister of Transportation and Utilities and I formed a task force team to work on transporting finished products from the province of Alberta to market arenas. We could clearly see the market. We knew we had the resources to develop it, but we didn't have the third track, the parallel track of transportation, going forward at the same pace as the development of the product line and market identification. We actually in between our offices took a wall down so we could share a boardroom scenario and use it – we called it a war room – to put our people together to work on the project.

Now, this initiative was the lead to pull these ministries together and show that this can in fact work. There don't have to be barriers. We are one team between departments of government. We need to share the information and work for the benefit of everyone. We were able to bring in the private sector through AEDA to also assist us in this and learn from their expertise as to how we could best look at transportation models.

Historically, when you ask people what transportation is, as an example on this project, they think about building roads. Well, that's only one mode of transportation. I got into some hot water up here in Edmonton for suggesting a different use, the use of air. You can go by road, air, sea, and rail. Those are all methods of transportation that we should be looking at. We should never make the assumption, like we have done for a number of years, that Alberta is a dryland port. That's nonsense. We only are because we choose to accept that. The challenge is that we should be opening up the doors and making sure that we get to market clearly through all of those avenues. We should never eliminate ourselves from those types of transportation models before we even start. So we worked together on that.

The other thing that we've looked at is taxation. Taxation doesn't just involve the Treasury Department. It involves Municipal Affairs. It involves Economic Development. It involves Energy. It involves Education. It involves all of those other areas of government that should be at the table right at the forefront so that you have the impact of any taxation model shift

or change that you may be contemplating clearly discussed before it goes out. That's why we brought together this new structure within Economic Development.

Well, in doing that, we had to make major shifts in personnel. We had some very talented people, but we had to be sure that we had the right people in the right spots. The review of our management was very clear. We are the lead department to go through and do manpower planning and training. We believe that if you're going to keep people in government, you have to give them an opportunity for enrichment and enhancement. Make sure you have them in the right spot. Make sure you do some manpower planning so they can have career path growth that will move them forward. There's no point in putting . . .

THE DEPUTY CHAIRMAN: I'm sorry to interject, hon. minister, but could we please have some quiet at the table.

Please continue, Madam Minister.

MRS. BLACK: Manpower training I believe is critically important. In our finance and administration we've spent a lot of time looking at our manpower training program to make sure that we have people in the right places that are getting the right kind of training to be sustainable.

One thing governments have to face very clearly is that you've got to be able to keep your people moving forward. There has to be a plan for them so they have the long-term vision of their career path, or you end up with massive voids. You have people that are with government, say, one to five years and then 20 years plus, and there's a big gap in the middle. So to have continuity and growth and that intellectual basis left in the government, you've got to have manpower planning in place.

We've put that kind of programming into this ministry. We've also gone into, of course, upgrading our system. One of the costs in the finance and administration is this Imagis system, which I think all of the departments are putting in place. It's a better way of reporting our finances, and it's upgrading our system, which hadn't been done and needed to be done. So that has added cost to our finance and administration.

The other thing that I think is very important is that as Alberta becomes more profiled – I mean, when you consider that Alberta with 2.8 million people has had recognition around the world as being the leading economic model for the entire North American continent and now even beyond that – we have to make sure that we have world recognition as being the best place to come. I find it sometimes amusing that the only people who don't recognize that are Albertans. People outside of Alberta clearly recognize that this is the place to be. This is where there's the best technological enhancements, the best minds in medicine, the best minds in petroleum, the best minds in forestry. The new initiatives that have come forward from Alberta, even though we're small in population, are recognized throughout the world. But Albertans tend to not recognize that themselves, and I think that's sad. So we are spending a little extra money on our international exposure.

One of the components that the hon. Member for Edmonton-Castle Downs mentioned was tourism. I take exception to your comments that we're not profiling tourism. When I got this portfolio, it was called Economic Development and Tourism, and it was always "and Tourism." It was like an add-on. Tourism is just as important an industry to this province as forestry and petrochemicals and agriculture and therefore should not be set off to the side but should in fact be with business and industry development in the same position as those other industries. We moved it right into the department to give it the emphasis of profile that the other industries were getting.

9:16

To carry it even further, when we go internationally or go to a trade show, we promote down hole pumps and we sell them like you wouldn't believe, but you never see anything on tourism. You never see a promotional on tourism at those shows. The question I ask is: why not? Why are we not selling that industry? We're selling down hole pumps, but where is the sale of tourism? So we said: now when we go over to those shows and we do a booth, we better have all our industries there, including tourism. So we've moved dollars into the international side for the promotion of tourism by our government at those trade shows the same way we promote agriculture, forestry, petrochemicals, technology, et cetera. It will be right there profiled the same way. We haven't done that in the past, and I think that's a darn crime.

Again, tourism. The thing I find amazing is that Alberta gets a lot of recognition outside of Alberta, but when you go to meetings – and I've gone to a number of the tourism regions and talked to them and asked a very straight question: how many people took a summer holiday this year? Probably 80 percent of them put their hands up, and I'll say: how many of you had your holiday in Alberta? There are very few that put their hands up. I say: how many went to Kelowna or Penticton when you could have done exactly the same thing in the province of Alberta? We say we have to sell tourism outside of Alberta, but we better sell it inside Alberta to Albertans. Everything anyone could possibly want in this province is right here. We just haven't made them very well aware of it. We have to do a much better job of it. There is absolutely no excuse for that.

I guess I take exception to not profiling it because we've been going around on this regional basis saying: what are you doing? Who are you selling this to? Don't tell your neighbour and don't just tell me. How are you selling this program, and how do you draw people to your region and community? Not just the large tourism industry venues but the small tourism.

The small guys have to have, I believe, from our tourism research some ideas on how to promote tourism. I was up in one of the regions – and I can't say which one it was because I might be in trouble – in the northern part of the province, and they had the most wonderful brochure. You could water ski, canoe. You could horseback ride. You could camp; you could stay in cabins. You could hang glide. You could just about do anything you wanted there. It was a whole list of things. Very reasonable. Bring the family. Bed and breakfasts or hotels or motels or camping, whatever you wanted. It was all listed off there. I said: where does that page go? It didn't go anywhere. Well, how's anybody going to know about it? So you have to have that kind of linkage, where you take that page and you send it to the southern or the eastern or the western part of the province. You feed that in so people know that everything they could possibly want to do is right there, just down the road.

I guess that since I got this portfolio, I've really been paying attention to being the consumer of tourism myself. What draws me to a place? What satisfies my family needs? What am I looking for as a tourist? Am I getting that in Alberta? Do I need to go somewhere else? I think we can do a much better job quite frankly.

Again to Edmonton-Castle Downs, the questions on Alberta Tourism Partnership Corporation. Let's make it perfectly clear. The Minister of Economic Development did not make the decision to cancel the contract. The government of Alberta made the decision. It just happens to be my responsibility to administer that contract. The contract had provisions in it for cancelation.

Because of the way the contract was written, there had to have been an agreement on funding for this next fiscal year by January 1, 1997. That did not occur. That automatically terminated the contract. In addition to that, there were performance measures that had to be met by ATP, which ATP signed on to. They had to be audited, and they could not be audited. They were not audited, and those performance measures were not met.

The Auditor General, in his report that came out in September, also said that there had not been a public request for proposal for the contract for ATP. If you read that, he also questioned as to: how did we know that the value of the contract should be around the \$10 million mark? There had not been the consultation with the industry before the contractors left. He also indicated that the performance measures had not been met.

As the minister responsible I have to report back to the people, the 2.8 million shareholders in this province, the results of those contracts. I have to follow and also answer to the Auditor General in his comments. The status of that situation right now is that we will be going to a public process for tendering of that contract after March 31. It will be open and transparent. We have also reached an agreement with the Alberta Tourism Partnership Corporation whereby an interim management group under Price Waterhouse will take over immediately the operations of ATP.

THE DEPUTY CHAIRMAN: Sorry, Madam Minister. We'll have to get back to you after a couple of more speakers. Your time is up.

I'd call on the Member for Calgary-Montrose, please.

MR. PHAM: Thank you, Madam Chairman. It is a pleasure for me to join the debate today on the estimates and the business plans of the Department of Economic Development.

MR. WHITE: Where's the opposition time here?

THE DEPUTY CHAIRMAN: There's nothing like that here, hon. member. It's not a designated supply subcommittee. It's not a guarantee that you go. It's a back-and-forth process, and he was on the list. You're next.

MR. WHITE: This isn't democracy. I don't get to sit on any special policy committees.

THE DEPUTY CHAIRMAN: Excuse me. You're out of order, hon. member.

MR. WHITE: I probably am, and I probably should be, because this really, in my children's terms, sucks big time.

THE DEPUTY CHAIRMAN: Well, then, you're on the record for that, and we appreciate hearing your comments.

MR. PHAM: Hon. member, that is not parliamentary language, and we are still in a committee of the Legislature.

MR. WHITE: Neither is this Legislature, the way it works.

THE DEPUTY CHAIRMAN: Excuse me, hon. member. I'd like to call this to order, please. It is Calgary-Montrose's turn; it is yours next.

MR. PHAM: Thank you, Madam Chairman. Once again, it is a pleasure for me to join the debate on the estimates and business

plans of the Department of Economic Development. I would like to begin by setting the stage for my questions. Alberta is experiencing a boom at this time, and we are growing in almost every sector of the economy, especially in Calgary, where I am from. [interjections]

THE DEPUTY CHAIRMAN: We need order at the table, please.

MRS. BLACK: Madam Chairman, I can't hear the questions with this conversation. Maybe the members should go outside so I can at least hear the questions.

THE DEPUTY CHAIRMAN: I'm going to ask for quiet at the table, please.

MR. WHITE: Play your little games.

THE DEPUTY CHAIRMAN: There is no game, hon. member. It's parliamentary procedure, and you're part of it.

Calgary-Montrose, please continue.

MR. PHAM: In Calgary especially I think the hon. Member for Calgary-Buffalo would have to agree with me that we attract lots of people from across Canada. I think that is a strong indicator that we are doing something right in Alberta, and despite the criticism that we hear from the opposition, those people from across Canada do not choose to come to Alberta for no reason. They come here because they can find jobs, they can find prosperity, and because the future of their families will be secure in Alberta.

[Mrs. Gordon in the chair]

Having said that, I question whether the Department of Economic Development can take credit for all the things that are going on, because when I read the mission of your department, that is a really interesting mission statement. It's stated that the department's mission is "to enhance and promote the Alberta Advantage, building a strong and prosperous economy for all Albertans." I think this mission statement should be the mission statement for the government, because if I look for a mission statement for the government of Alberta, I think this one is the perfect mission statement. It covers almost every department in our government.

9:26

When I look further down at the core businesses that you are doing, a lot of what the department is trying to do is already covered by the local economic development authorities. Some of the remaining responsibility is also covered by the Alberta Economic Development Authority.

Most of the goals and the strategies in here are very, very difficult to measure. Even if you achieve those goals, I don't know whether it's fair to say that the department staff have achieved it or the economy has achieved it all by itself. Today we have the lowest unemployment rate in Canada. Is that the success of the department, or is that because of the tax regime that we have? Is it because the advanced education system is working? Is it because the energy sector is working? When you have a department where the goals and the strategies and the performance are difficult and almost impossible to measure, then the logical question that comes to mind is: should it need to exist at all?

You look at page 205, for example. There's a list: Alberta External Economic Growth Indicators. I look at all of those

growth indicators. They're just guesstimates. If everything is going okay, then we may reach that number, or we may not. Again, if we do not reach those numbers, can we blame the department for that? I don't think so. If we reach those numbers, what can we say about the performance of the department? I cannot conclude that either. So obviously those growth factors are completely outside of the department's control.

Maybe the best way to measure the success or the needs of the Economic Development department is to find out in a year how many Alberta companies have actually called on the department to ask for services. How many of them have found that they cannot live without the department? At the end of the year you sum up the number of companies that have contacted the department. How many of them are actually happy with the service they received? I think that is the best performance measure we can get. If you put in there that you keep the lowest unemployment rate in Canada and you reveal strategic information, excellent relations – all of those things are nice things, but they are being done with us being there or not, whether we are doing it or not. The economy and the private sector and the companies are already doing it, and I don't want to spend money redeveloping the wheel or putting a fifth wheel on a car that's already running very well.

Looking at the budget of the department, I notice that for this year, 1998-99, the estimate for ministry support services went up from \$3.4 million to \$4.3 million. I look at the 1996-1997 numbers, and compared to 1997-98 we managed to bring down the cost of running the department from \$4.8 million to \$3.7 million. But now it's creeping up again. I have no problem at all spending that extra money, that almost \$1 million extra, in the department if somebody somewhere can prove to me that \$1 million will make the difference. Again, I'd relate it back to the goals and strategies that we have in here. I don't know if I can make that relation or not. Next year if the economy is improving compared to this year, I don't know if I can say that it's because of the \$1 million extra we spent that we see the result in the economy. That is tough, because I would like to see the value for every hard-earned tax dollar that we have.

I look at this and I look at the one thing that can make a difference to small business in Alberta; that is, the financial assistance of the Alberta Opportunity Company. I see there's a decrease. It goes down from \$6.6 million to \$5.4 million. When the budget for the department administration went up and the money that went to help Alberta business through the Alberta Opportunity Company actually is going to go down, I think that is not a good signal, because even though we're having a booming economy, there are more companies out there that still need our help. I think it is important for us to continue to have that help available to them. I do think that every member around this table has to agree that the small businesses are the backbone of our economy, and they generate a lot more jobs not only in good times but in bad times as well.

MR. DICKSON: No socialists here.

MR. PHAM: It has nothing to do with socialists, because I think that the principle of our government is to support people to be independent and to work for their own money.

Also talking about socialists, I do believe that the racing, gaming, and liquor commissions are doing a good job of trying to raise as much money as possible through the gaming activities in Alberta. I would like to restate the position that when it comes to gaming activities, it is personal choice. No matter how much legislation you bring in, no matter how much control and

regulation you bring in to stop people from playing these machines, they still play them. That is personal choice, and you should never allow the kind of criticism, the kind of opposition such as bringing in a sales tax to replace the revenue from the gaming industry. That is probably one of the most stupid ideas I have ever heard in my life. You know, to bring in a sales tax in Alberta is so out to lunch and so stupid that I cannot imagine how people could even think of that idea.

I look down further to the tourism program. A lot of people have said that our termination of the ATP is a bad thing and that we should not have done that. I have a totally different opinion. I think the tourism industry, just like any industry, needs help at the beginning. But then at a certain point you have to let go, and you have to let the industry take care of itself. The government should never in any sector of the economy try to interfere with the economy. The economy will work itself out. The Alberta Tourism Partnership was good at the beginning, but I think if we have problems with it, if we have to terminate the contract, then by all means we should do it.

There is one area that I think we should pay some attention to; that is, the Alberta Motion Picture Development Corporation. I think the minister of science and technology is going to bring in some kind of appropriate tax policy to help this industry. But again I would like to warn the minister that when you're doing that in conjunction with Economic Development, you should keep in mind that any of those measures should only be temporary ones and should only be there to help them back on their feet. It should never be a policy that will be there forever.

That's all I have for the Economic Development department. Again I ask the minister to take a hard look at all the goals and all the strategies and all the performance measures of your department and ask yourself a truly tough question: tomorrow, if my department still exists, will it have any impact at all on the Alberta economy? Then ask yourself the question: should all these goals and strategies be replaced by having the idea that we will count the number of companies who contact us and measure how many of them are actually happy at the end of the day?

Thank you.

9:36

MRS. BLACK: Madam Chairman, if I might respond, I'd like to just refer the hon. Member for Calgary-Montrose to pages 201, 202, 203, 204, and 205 of the plan just to see that we're between two things here. You're quite right. The Department of Economic Development cannot take performance measures in job growth and employment rates, et cetera, as performance measures for the department. That's smoke and mirrors. What we've put in this plan is that we've said those are Alberta external economic growth indicators; that's the result of everything that happens in the province. If you look at the previous pages under each goal, you'll see internal performance measures listed off: client satisfaction, number of calls, training programs, comparisons of employee's competency gaps. Those are human resource planning programs that can be done within the department and are fundamentally important for the department to be able to be a partner in that overall external economic performance level . . . It's really difficult, Madam Chairman.

MR. PHAM: Madam Chairman, I find it very difficult to concentrate and listen to the answer.

THE CHAIRMAN: All right. Let's just have one speaker at a time. The hon. minister has the floor. Everyone, please listen to her answers.

MR. WHITE: I'd like to just be able to have somebody listen to me once in a while.

MRS. BLACK: Well, if you'd be quiet long enough, we could get to you.

THE CHAIRMAN: Hon. member, you are on my list next. Go ahead, hon. minister.

MRS. BLACK: I think it's an important comment that you made about the Department of Economic Development, because clearly, as I said before, Economic Development begins with the private sector and ends with the private sector. As a government our role is not to go out – we don't create jobs. Governments never create jobs that are sustainable. We only create the framework in which those jobs can be created by the private sector, and the critical thing is to make sure that we don't put disincentives in the way of the private sector for creating economic well-being within the province.

Our role in Economic Development, through co-ordination and through overlap between other departments and a relationship in a partnership role, is to make sure that we don't have disincentives, uncomplementary regulations and laws that are going to preclude that development from taking place. That's the role we've assumed, and that's why the Council of Economic Development Ministers is critically important: because it pulls the players in from all those areas that have some form of impact vis-à-vis their regulations, their laws, their processes on investment within the province of Alberta.

An example is if you're going to look at, say, building a plant of some sort. It's one thing for the industry development side of my ministry to go out there and say "This is a great thing, and here are the approvals." But if all of a sudden there's a contradiction with, say, the Municipal Affairs department on their regulations, this program gets started halfway down the road and all of a sudden there's a blip in the process because there's a regulation under Municipal Affairs or Environmental Protection that's contradictory to the promotion of that plant development. All of a sudden you're into a sensitive area that is contradictory to the development and the regulation in Municipal Affairs. If you can deal with those issues up front ahead of time so that you've cleared the decks and you're not standing in the way of development taking place, then I think that's the role of facilitation of Economic Development.

Also, when you're looking at investors coming into the province and putting billions of dollars in place, they want factual information. They want to know a lot of market statistics . . . [interjection] I don't think it's that funny, Minister of Energy. They want to have the best intelligence possible on tax models, on machinery and equipment taxation, on small business opportunities, on competitive markets that we would have throughout the government. If they can access that information from an information system and have all of these departments feed that data into it, then they can make a wise choice as to whether they want to come to Alberta.

Remember that when we started off, we talked about the Alberta advantage and that there were key components of it. We have to make sure that that Alberta advantage gives us the competitive advantage and is why investors will want to continue to come here; hence the review of our taxation models. We have to be sure that our tax models are the most competitive in North America. That means they have to be continually reviewed and factors have to be entered into it.

The minister for science and technology talked about the motion

picture concept. You have to have a model that takes in the whole small business and economic development philosophy of this province to make sure we have the best tax model in the country and, for that matter, in North America. That's called Building on the Alberta Advantage, and you saw that document about a year ago. We have to continually do that. You don't do it once and leave it. You have to continually work on that document. The initiatives the Treasurer announced in his last budget were part of that Building on the Alberta Advantage, part of dealing with some of the taxation scenarios that presumably will help in the attraction of investment to the province, not the Department of Economic Development, because that result is an external indicator.

Our role under the internal indicators of performance measures is substantially different this year than you've ever seen before from Economic Development, because we don't take claim for creating jobs. Governments never do that. We don't take claim for manufacturing; we don't take claim for exporting. What we do take claim for is making sure the framework's in place, the regulations are there. We have people who can answer the questions. We have people who can facilitate the relationships between departments of government and industry-sector people. We have a private-sector thing which is our trump card, called the AEDA, that can help us with those relationships but also lead the beat.

In the past what governments used to do was run all over the world and look for opportunities and people to come, and they didn't have any private-sector people that wanted to follow through on them. So now we have a relationship up front and we say: where should we be looking at opportunities for investment dollars to go or to come? Because it's a two-way street. We can pull the private sector in right up front and not waste time going to Bunga Bunga Land, I call it, where nobody wants to invest, but have people come here or us go to areas where we can actually utilize our resource and have the competitive advantage.

Quite frankly, by doing this I think in a number of areas, such as our petrochemicals, we can compete head-on with the Gulf coast. Because of this relationship we deal with the transportation issue; we know what the market looks like. And I can tell you that with the technology we have in this province, there isn't anybody who could develop our petrochemical industry like the players we have here. But we have to have all of those paths going at the same pace so we don't lose that opportunity. That's means co-ordination, partnerships, and facilitation in bringing it together, sharing information, sharing that all together so that we get out of the chute first, so we don't have some element drag behind.

It works the same way in our agriculture area. We have the best beef products; we have the best pork in the world. Everybody knows that, but why don't we have the largest market share throughout the world? Well, there's an issue: transportation. To move pork – it's a 35-day life span. If you have to take 10 days to transport iced pork, you lose 30 percent of the life span of that product line. So how do you move quicker to move the product out? You do it by air. You change the philosophy, change the way you think.

So that's means Transportation has to be involved. Municipal Affairs has to be involved. Agriculture – and I'm getting time out. That's too bad. I don't get to do this very often.

You asked me the question. I looked at this, and I said the same thing: why do you need a Department of Economic Development? Is it showcasing, or is it actually to do something? Is it to functionally pull together elements within the government and the private sector? I believe that's what it is. Time will tell, I

guess, in this next year or so if in fact we actually do that. Pulling this framework together has, quite frankly, been like herding stray cats, because there's been a lot of reluctance for government to change the way it thinks. There's a mentality there that says: let's protect everything into little silos. So hopefully we'll be able to give you some concrete examples in a year's time.

9:46

MR. LUND: How about AOC?

MRS. BLACK: AOC has done, I believe, one of the best jobs possible in promoting small business. You look at the small businessmen. I think it was Edmonton-Castle Downs who said that small business was the backbone of the economy. You're absolutely quite right. They are the backbone of the economy, and in many areas it's because someone has a new idea. Well, most of Alberta was built on new ideas. Some of them have become large ideas now, but they all started off small.

AOC has been the only one, I can tell you, that clearly will go in and provide loans for under \$100,000 to a small businessman. Some of those loans are as small as \$15,000, \$20,000, \$25,000, so they can get started. Most of your traditional banks are not even going to look at loans that small. Their average loan for the last year was just around the \$100,000 mark. Well, banks don't write loans for under \$100,000. If you didn't have AOC around, a lot of those small businesspeople would not have access to capital, and one of the things that's critically important for small business development is access to capital. That's where they've been very beneficial.

I was the director from Alberta on the Federal Business Development Bank board before I was elected as an MLA. One of the things that's important with AOC, as it was with the Federal Business Development Bank, was the ability to sit down with a businessman and not only talk about the start-up of a business but follow through. Most small businesses will fail in the first two years of operation basically because they can't collect their receivables. So they have a cash flow problem that occurs probably in the first two years of operation. With a group like AOC, through their counseling process and follow-up they are able to move small businesspeople forward, to provide guidance, to help them with market assessment, to look at the economics that are coming through, and to move them in the right direction.

There was a question asked of me in the House about what the future of AOC is going to be, to give an indication of what the portfolio will look like next year and the year after. Well, if I could predict that, I'd be a magician. We can't predict what that portfolio is going to look like until we see what's coming forward. But what I can say is that I feel confident AOC will be focusing its attention again on small businesspeople.

There was also a question that said: why would people go back to AOC? Why are you letting that happen? That's good. That to me is success, when someone goes back and works again to start another business or even enhance the one they have. AOC doesn't go back and redo loans of people that have failed. They've gone back because they've been successful. So why wouldn't you encourage that? Why wouldn't you encourage people to rewrite their loans so they make economic sense, so they can actually continue to pay on those loans and continue to try? AOC has provided that historically and today. Quite frankly, with their restructuring and streamlining they've been able to do this with reduced costs to government.

So I'm a supporter of AOC. I think they serve a very useful purpose in this province. I believe that the way they've restruc-

tered and refocused themselves, they're about as streamlined as you could possibly get. I don't believe there's another service in the province that would be there for the small business community. I think they're a very good operation, and I'm very pleased with the performance levels they have. You know, a number of years ago they were under some silly rules that precluded them from being successful quite frankly. Well, that was the old way of government. It wasn't dealing with reality. Today AOC is able to deal with reality and not get into a mismatched process because of government regulation. It was out of sync with reality. So it's doing a good job, and I'm quite supportive of it.

MR. PHAM: Madam Chairman, can I ask one more thing for clarification?

AN HON. MEMBER: There are no points of clarification.

THE CHAIRMAN: No, there aren't.
Hon. minister.

MRS. BLACK: Thank you very much, Madam Chairman.

MR. PHAM: Does the same apply here? If the same applies, I can raise a point of clarification.

AN HON. MEMBER: The procedure is the same as it is in the House. We shift back and forth.

THE CHAIRMAN: Yeah, this is the same as it would be downstairs tonight, hon. Member for Calgary-Montrose.

MR. PHAM: Can I raise a point of clarification?

MRS. BLACK: I don't think he can come back in.
Madam Chairman, can I just finish my comments?

THE CHAIRMAN: I think the bottom line is, hon. member, that it doesn't fit into either an allegation or a point of order. What you probably want to do is ask a question. The hon. minister has the floor, and it is her time.

MRS. BLACK: I will entertain a question if the hon. member wants me to.

THE CHAIRMAN: You cannot do that in committee. That has to be done in the House.

MRS. BLACK: Oh, I'm sorry, Madam Chairman.

I wanted to finish off on the tourism side with the hon. Member for Edmonton-Castle Downs. Just so that everyone is clear, the situation that we have negotiated and signed a deal with is clearly to maintain the thrust of the industry, to ensure that the contracts that have been put in place by the Alberta Tourism Partnership Corporation are in fact honoured and continue to have the expertise of the staff. There are 38 staff members who may wish to stay employed through contract with us to see us through this transition phase, to maintain their talent levels in there, and to make sure that the dollars are there to sustain the development of the industry until a new contract is let.

The process of going to public tendering I think is very good. Now, the frame of how that would come out will depend upon the industry as to how they put forward their proposals for the contract. In the time between now and when that RFP goes out, Price Waterhouse with the Department of Economic Development

will be working with the industry to craft performance measures that actually can be clearly measured by the Auditor General. We have a commitment from the Auditor General to review those performance measures before the RFP goes out so that he is satisfied with those performance measures before anyone goes to a tremendous amount of work putting a proposal forward. That will be the industry working with us and then going to the Auditor General with an RFP process. We anticipate all of that to be about a three-month process to execute.

Once those RFPs are in, there will be an independent selection committee that will review the proposals and make a recommendation to government as to how that contract should be let. We would be very hopeful that the new contract will be fully operational by the 1st of September.

I want to make it abundantly clear that we are not moving this tourism responsibility back into the Department of Economic Development. That is not in the cards. We will continue to do some analysis on markets and some research on it and some international promotion at trade fairs. That's our role. We are not going back into that tourism. That is an industry responsibility. While we are there as a partner in it, we are only a small partner in that promotion. I think it's important that hon. members realize that business is carrying on, that we are going to maintain the integrity of the staff that is there, and we are going to continue to be a partner in tourism promotion.

The other thing, just so the hon. Member for Edmonton-Castle Downs knows: some of the members of ATP will stay in place under the Alberta Tourism Partnership Corporation. Remember, that is not a Crown corporation. It is an industry-created corporation, and in fact, because they will not be managing a contract after today, they will be in the position where they will be able to actually bid on the contract, as anyone else would be.

I believe, Madam Chairman, that that's about all the questions I will answer at this point. I know that the Member for Edmonton-Calder has been moping about getting in, so I think I'll give him the floor.

9:56

THE CHAIRMAN: I would call on the Member for Edmonton-Calder.

MR. WHITE: Thank you, Madam Chairman. It's a pretty sad day in a committee when the time allotted is painfully small to question a substantial budget that does have a major effect on how Alberta deals with the world in an economic sense, when there's not time allotted for anything other than hearing a minister go on . . .

THE CHAIRMAN: Hon. member, the chair would remind you that you do have up to 20 minutes if you so desire. So, please, be relevant and move ahead.

MR. WHITE: There's so little time.

THE CHAIRMAN: I'm sorry, Edmonton-Calder. You have 20 minutes, so move ahead.

MR. WHITE: Right. So would you mind allowing me to use it?

THE CHAIRMAN: Yes, go ahead. Go ahead and ask your questions.

MR. WHITE: Well, going to questions. The minister opposite can go on ad infinitum on philosophical statements. So be it. It

doesn't matter. The minister goes on at great length, and then a member of the opposition – I mean, there's something about democracy that has to live in the hearts . . .

THE CHAIRMAN: Hon. member, please, go ahead and talk about Economic Development.

MR. WHITE: The rules of order don't say anything about questioning the minister on questions.

Well, there are a couple that have some major elements. One, the member opposite questioned the minister too.

THE CHAIRMAN: Hon. member, if I explained myself wrongly, I do apologize. Please. I know that you've been anxious to get in and speak, and I want you to do so. There's no point in debating what's right or what's wrong. You have the opportunity right now to go ahead with whatever you wish to speak about and ask the minister whatever you wish. Let's proceed.

MR. WHITE: That's what I was doing actually. I was saying that the member opposite started to say something about – and if I don't say it quickly, I'm going to be cut off here – that there being more money put into marketing and business development and that the budget has gone up in that area. In AOC, which actually helps small firms, it's gone down. Now, there's something philosophically wrong with that. The minister can say, "Oh yes, small business is the engine," and something to the effect that government does not create jobs. Well, government certainly doesn't create jobs except in the ministry, it seems, because somewhere it says that there are 22 more people in the business, and whether you like FTEs or not, it's a standard measurement in the business. That's gone up. I'll leave that; it's an element of philosophy.

MRS. BLACK: Do you want an answer to that right now?

MR. WHITE: No, thank you. Time is so painfully, painfully little here, and the gong is going to sound here any second now.

THE CHAIRMAN: No, it isn't. You have 20 minutes.

MR. WHITE: I have 20 minutes?

THE CHAIRMAN: Nowhere is it written that this will go from 8 o'clock till 10 o'clock. You have 20 minutes, hon. member.

MR. WHITE: Oh, terrific.

One of the members did ask about the very first program, and that's the minister's office. I'd like to know why there's \$384,000 expended under this minister when the former minister spent considerably less on the department and presumably did the same job. When you look at Transportation, Transportation, being very frugal with their office and on major capital work expenditure, is only going to spend \$210,000. Somehow I don't understand how it can be done.

There's a series of questions related to ministerial responsibilities, particularly in areas that overlap somewhat between one ministry and another. The questions relate to the missions and the Department of Intergovernmental and Aboriginal Affairs. They have a section that deals with international communication also, and quite frankly the minister there says something to the effect that they deal with the very important diplomatic portions of international trade and this department, the department we're reviewing tonight, Economic Development, deals with the hard

deliverance of service in the way of delivering the message and selling the product, the goods or the service. Well, I'm at a loss to understand how you can separate it when you send two bodies to do a similar job.

Likewise in program 2.2.4, advanced technology and emerging industries. Well, there's a fair dollar expended there, and unique to Alberta there is an entire department related to that under the minister that's here present tonight. That area, as I understand it from the description of the work, is the taking of advanced technology from the research and development stage into the commercialization of it, which is a major end and a major push from ARC, Alberta Research Council, and from the minister's statement. Why? Why would we have two separate departments doing the same sort of thing? Why would that not be under one minister? Either that minister or the whole kit and caboodle of research and development under this minister. It baffles me somewhat.

Also under this ministry is lottery funds. There's some \$750,000 that are put out of the lottery fund into science and technology. I mean, how many different ends of a business can go into science and technology and not have a single co-ordinator, somebody that is trying to focus in on exactly how we develop products in this province, develop systems or develop all kinds of technology in various areas, and then don't market it through one area, but we have different ways of doing it. I simply don't understand.

An area that does concern me quite a lot because a great deal of the industry was centred around Edmonton and a number of people have had to pick up and move because the industry was no longer supported by this government is the Alberta motion picture industry. The Alberta Motion Picture Development Corporation is to be no more fairly soon, and I understand there's a new program. Well, has there been any study as to the loss of that business to Alberta and whether in fact it can be encouraged to be brought back? Is it possible to bring it back at the rate that it was, a flourishing industry at one time? If there are any studies to that effect, we'd certainly like to see them.

The Alberta Racing Commission. It's a tough business at the moment and has been for some five years with Northlands and the Stampede board slugging it out to keep that industry alive. The minister will know, as well as many people around the business know, that if that racing folds in this province, if it can't make it in this province, then there's a large body of businesses related to the development of horses for racing in this province that would be long gone. I'd like to know what kind of study has been put into the area of gaming and the relationship between the dollars that are taken off to do other sorts of gaming, whether they be VLTs or slot machines or casinos or anything else that's drawn away from the very valued industry in this province being horse racing, if there are some studies and if there is anything that can and should be done to protect those industries as opposed to simply protecting the income as it relates to gaming in this province.

10:06

The Alberta Gaming and Liquor Commission or a policy of this government should at some time finally decide whether liquor sales is a free enterprise or whether it's a controlled business. Quite frankly, it should have been done at the time that the business was in fact privatized. It was the right thing to do, to privatize it. It was just a flat-out rush to do it, and quite frankly it should have had a strong philosophical statement coupled with the manner in which the liquor would be controlled, to be sold at that point, and to understand where and how it was marketed.

Currently, not only in this city but in smaller towns all over Alberta, we run into the same debate: whether Safeway or any other major retailer is allowed to be in the business and how it's marketed. That debate should have been concluded long ago, and I'd really like this minister to lay it out clearly and succinctly so that all those that have invested their dollars in the business of liquor sales would understand what the policy is to be.

10:06

Alberta Lotteries has an interesting set of circumstances ongoing. There are some motions before the House that I believe may have had some discussion today. Why would this minister wait for a motion from the House to talk about payout rates or slots versus VLTs or slowing down the rate, all of those things? Why would that not be a point of discussion on a regular basis? Why wouldn't it be something that citizens could be involved in so they could understand what was occurring?

We had a perfectly good study group, albeit government members only on the study group, that went around the entire province and talked about it. We did not have a discussion of that in the Legislature after that to understand where the policy was going and where the direction was. [interjection] Precisely. A member here said: they discussed it in caucus. Well, that's where it could and should be. Unfortunately, that's not shared with Albertans through the Legislature. Then it comes back to the original question of how democracy works and how, in fact, the way it operates could be considered an embarrassment by many.

Another question that relates to lotteries is: why would this government not designate revenue from the slot machines and all gaming to the study of addiction – addiction problems, curing addictions, prevention, all of those things related to that – to the commission? As the lottery fund is directed to pay out a lot of other needy and very worthwhile causes in this province, between a quarter and a fifth of the revenue generated, you'd think that it would be much easier to explain to the populace how the two are connected, the direct line connection, as opposed to going through general revenue.

A question of policy that the minister has not answered and to my knowledge hasn't really been asked in public before is: when a community, like a number of the communities in the province, has voted to remove certain gaming machines, why would the minister not remove those machines as the contract between the gaming commission and the operator of an establishment that contains those machines clearly states? It clearly states that they can pull those machines at any time without any repercussion at all. Pull the machines and then allow the court action thereafter, whatever court action does take place, because it reads to the public that the government simply doesn't care much about what the people are voting for. It doesn't sit well, nor does it serve the needs of the public when the public have actually gone and voted on something.

The other questions relate to marketing and business development. I think the minister said at some point in her opening statement that we do better work for less money. Well, in some areas that may be true. Marketing and business development, program 2, certainly doesn't appear to be one of them in that the budget has gone up considerably, even so in the capital budget. Could the minister explain why there's some \$300,000 increase in the capital investment in this particular branch? What reason could be developed? The FTEs fall from that too, of course, and we'd like to know how many of those are related to the business plan and the expansion of that portion of the department.

The program called business immigration: I gather it's been very, very successful for a number of years, but there doesn't seem to be any information forthcoming on that. We'd like to know how many inquiries and procedures of various business immigration into Alberta have been handled in the past year and this year, too, and what's anticipated in the next years. The other question ancillary to that is: how many immigrant entrepreneurs have been successfully landed and their business investment put in place and their full immigration come to fruition? Also ancillary to that is: how many full-time and part-time jobs have been created in the province of Alberta because of these activities? Will the minister provide an update on the monitoring of the business immigrant investor fund syndicates for the '96 and '97 years as they relate to the subscription to investment in Alberta businesses and the number of jobs those promotions created?

International trade has, as I mentioned earlier – it would be nice to be able to justify why international trade is shared between two departments. I look forward to having some justification from the minister on that. Why the increase, at well over 50 percent on this particular budget, and could the minister indicate where those activities are going to be increased internationally, where the locations of the new trade missions are and if they in fact are full missions or whether they're just part-time missions? Will the minister indicate how and when review of foreign offices takes place and what criteria they're measured against? If there's some kind of criteria for performance, it would be nice to know what they are and who in fact does these evaluations, whether it's an in-house evaluation or whether in fact you look to going outside and having private consultancies do this.

International marketing activities. Quite frankly, I'm not sure how that differs from the previous line item except that the money is expended inside and outside Canada. Presumably they would be worked together. I would like to know how many of those ongoing missions are co-ordinated through the '97-98 year under the international marketing program and how many are expected in the '98-99 year of course and what results an Albertan would expect from these missions. Whether it can be put down in hard numbers or not is questionable of course, but what initiatives have been commenced on these missions? Three or four years later one should at least have a good idea of the outcome of most of these initiatives and be able to report on same. How many incoming missions are there?

THE CHAIRMAN: The hon. Member for Airdrie-Rocky View.

MS HALEY: Yes, Madam Chairman. I move that we rise and report progress.

THE CHAIRMAN: Having heard the motion by the hon. Member for Airdrie-Rocky View, does the subcommittee agree with the motion?

SOME HON. MEMBERS: Agreed.

THE CHAIRMAN: Opposed?

SOME HON. MEMBERS: No.

THE CHAIRMAN: Carried.

[The subcommittee adjourned at 10:16 p.m.]

