

[Chairman: Mr. Stewart]

[10:16 a.m.]

MR. CHAIRMAN: I guess we can go on the record and perhaps call this meeting to order. I'd just note that we have a quorum present. You have your agenda before you. Perhaps we might just look over that agenda, and if there are any other items that are not included that should be included or any adjustments to the agenda, perhaps you could signify. If not, we'll presume that the agenda is appropriate.

Item 2 on the agenda is the approval of the November 30 committee meeting minutes. You have a copy of that; it's been distributed to all members. May I have a motion? Dr. Elliott, approving the minutes as distributed.

DR. ELLIOTT: Right.

MR. CHAIRMAN: All in favour?

HON. MEMBERS: Agreed.

MR. CHAIRMAN: That's carried.

Now, we'll move then to the consideration and, if members feel it appropriate, the approval of the estimates of the three offices that come under our jurisdiction. The first one is the office of the Ombudsman. The materials that relate to that are under tab 3 of your binder. As you know, we had the opportunity of meeting with the Ombudsman in order to have him speak to the budget estimates that he has submitted. The bottom line is that the request is for \$1,107,490, which is a slight decrease from last year's budget that was approved. The Ombudsman spoke to the reasons why, and there is further explanation in respect to both those items that are increased and those items that are decreased from last year's budget contained under your tab 3. Are there any comments or questions or concerns in respect to any item in that budget?

MR. FOX: Are we clear in our understanding here, Mr. Chairman, that this budget does not include or reflect the special investigation done by the office on the Principal affair? That's something totally separate from what's here. Is that . . .

MR. CHAIRMAN: That's my understanding. Yeah.

I think that the changes relate to manpower costs, principally to, I think, reinstate a position of one investigator and one clerical person in Calgary. That was a previous position that did exist under a former Ombudsman and was cut back because of the circumstances at the time. He intends, I believe, to reinstate that position.

The other major factor is the reclassification of investigators. As you recall, the materials indicated the circumstances that relate to the salaries of investigators and some of the consequences of those salaries as it relates to being able to attract the type of person he wants for those particular positions. So I think there's some effort on the part of the Ombudsman to make some adjustments in the salaries of some members of his staff to more correctly reflect not only their responsibilities but also their position as it relates to other provinces and indeed other positions of a similar nature in Alberta.

MR. FOX: Well, Mr. Chairman, you know, I was satisfied by the explanations provided to us for the need for additional positions in Calgary and the discrepancy in salaries between investigators in our province and investigators in other provinces.

I think the Ombudsman has presented us with a fairly complete and descriptive and supportable document here.

MR. CHAIRMAN: Any other comments or questions or concerns?

DR. ELLIOTT: I think I would support what Mr. Fox has said. I think his explanation last meeting was very complete.

MR. CHAIRMAN: Okay. If that's the feeling of the members, then perhaps it would be appropriate to have a motion approving the budget estimates of the office of the Ombudsman as submitted. May I have a motion? Mr. Clegg. All in favour?

HON. MEMBERS: Agreed.

MR. CHAIRMAN: Carried.

The office of the Auditor General is the next item on our agenda, and the materials are contained under tab 4. I'll just give you a minute to peruse that.

I think the major item, as I recall the information provided by the Auditor General at his meeting with the committee, was that the proposed increase, bottom line 6.6 percent, is reflected in two major areas, one of which is the area of salary increases. The other is in the area of additional agency requirements because of the Auditor General taking on some further work doing the audit for a subsidiary of a provincial agency and, indeed, some of the increases that are reflected in agency fees generally. From the standpoint of the salaries, I think what we are seeing here is in effect a double whammy in the one year because of the unanticipated increase of \$115,000, I think, for the office in addition to the amount of \$182,000 which was already recorded as an anticipated salary increase. So I think that by virtue of the timing of announcements in relation to increases for the management group within the public service, it's reflected itself in the Auditor General coming to us with more than the one year's salary increases reflected in this one budget request.

I think the major consideration for the committee -- and I know it's been a concern expressed by a number of members -- is in relation to attracting and keeping qualified people at the management level within his office. He has experienced some people leaving his office and going into the private sector by virtue of his office not being able to satisfactorily compete on a wage basis with the private sector. As a result, there's been a considerable turnover at the management and supervisory level within the Auditor General's office, although at the other end of the scale, from the standpoint of nonmanagement people, he's been able to attract and keep nonmanagement personnel. I think that's one of his main concerns: to ensure that they do keep appropriate pace with the private sector and are able to build up some continuity of personnel at the top end of the Auditor General's staff.

MR. G. CLEGG: Well, Fred, I was always of the impression the last couple of years that private companies were pretty well holding the line. I have no way to know whether that statement's true or whether it is not true. However, after listening to him, then seemingly he feels we're getting further behind. Have we anything to tell us that the private auditors are in fact getting the increase that he tells us they're getting? Because I don't know that.

DR. BUCK: Mr. Chairman, I sort of have that same uneasy

feeling that people who are career civil servants, who are immune from any kind of job loss, and they seem to keep getting increases all the time. You go out to some of these private CA firms, and I'll tell you, I could come back with about 20 people who would be glad to work for some of those so-called frozen salaries and do just as good a job or maybe do it with more enthusiasm. It's just so easy for us to say: "Yes, this is what they tell us. Sure, go ahead and give them that 4 percent increase, because they need it." But when you get out in that cold, cruel world, there are a lot of people out there that would do just as good a job or maybe even better for the salaries they're getting right now. So I'd like to go on record as not supporting the so-called request, because I can't buy that, that they're losing so many of these good people because the salaries are so small. You compare that to education. There are young teachers out there who can't get a job, who will never get a job, who could certainly do the job just about one and a half times as well as some of the teachers already there; because of their tenure they're sitting there.

I don't know. We have to give some of these young people an opportunity. I'd say that they just go out there and do a little bit more hard work to find the people for those salaries and they'll get the job done. So I go on record as opposing an increase.

MR. CHAIRMAN: I think to be fair to Mr. Salmon and the things he mentioned to the committee on November 15, he did talk in terms of the difficulties relevant to personnel at the supervisory level. But at the same time, I think as well he was budgeting relative to the increase because of the increased guidelines that relate to the public service generally, those guidelines having come down from the appropriate office of the public service. So the increase sort of reflects those guidelines just as much as it may reflect the general observation of trying to keep in step.

Anybody else?

MR. FOX: Well, it seems to me, Mr. Chairman, reading the letter from Mr. Salmon, that there's a requested increase of \$182,000 for the manpower component of this budget, and that's because of pay increases that have been granted people in that classification in the past, and a further \$115,000 for the 3 percent pay increase for the management group effective June 1, 1988. Now, I'm not disputing the merits of the arguments Mr. Buck or Mr. Clegg put forward. But it seems to me, if I understand this correctly, that we're dealing with salary increases for a particular group of people who seem to have missed the boat, you know, because they're functioning through our budget rather than through a departmental budget. And if my understanding is correct, I see no reason why they would be denied merit increases awarded to their counterparts working in the line departments.

DR. ELLIOTT: I recall that at a meeting last fall, Mr. Chairman, I challenged the Auditor General on this business, particularly about starting salaries for chartered accountants and hiring people at the lower levels. Because accountants with whom I have contact had implied earlier that they were having trouble recruiting and our Auditor General's department was hiring at a much higher level.

I found the Auditor General's explanations interesting and acceptable at that lower level of hiring. I've shared that with the accountants back in my constituency, and they have basically

agreed. You remember the discussion that was relative to the area in Alberta in which you were doing the recruiting. In discussing this with accountants in my area, there was some discussion that extended into this level that we're talking about now, and they conceded that the same argument would basically apply there.

So I feel that while there could be accountants in Alberta who are probably performing very well at a lower level, if they want to come into Edmonton and compete or into Calgary and compete, they are in fact in a different ball game. Our accountants in Grande Prairie have recognized that, so I am prepared to support what the request is here.

DR. BUCK: Mr. Chairman, I don't have any problem with the budget increases for these people, because that's the way it is; those are the ground rules. But I still strongly feel that at this lower level when they're recruiting, they can certainly get staff to fill those positions.

Now, I know it's not as convenient. But I also know that when I hire a girl fresh out of training, she's not going to do the job of the other one. But I'll tell you, within six months she's doing the same job and at less pay than the one who just got fired. So I mean, we're all taxpayers and we just have to start saying no to some of these senior civil servants. Because we're locked into the grid; we have no choice.

Also, I notice -- this made me feel a little bit better -- "No further funding is required for the current year 1988-89 as the funds are available from our current budget," which means that they had too much money to start with.

MR. FOX: The extra money in his budget, though, as he's explained to us, results from unfilled positions. They've got a vacancy rate somewhere in the neighbourhood of 10 percent.

DR. BUCK: I wish I could run that kind of budget in my golf course and say: "Well, you know, we don't need that. We got a \$115,000 increase. We can handle that, because we had too much money in our other budget."

MR. FOX: Just lower the greens fee.

DR. BUCK: So I don't have any problems with the increases that are there. But I'm just making a recommendation that hey, let's keep a rein on these people.

MR. CHAIRMAN: Any other comments or questions or concerns?

DR. BUCK: Furthermore, they don't have to get re-elected every four years.

MR. G. CLEGG: I thought it was five.

DR. BUCK: Or five or whatever; whatever the flexibility factor is, plus or minus 30 percent.

MR. CHAIRMAN: Okay. Are you satisfied to the point of entertaining a motion in respect to the budget? If so, may I have such a motion?

DR. ELLIOTT: A question first, Mr. Chairman. What about the Auditor General's salary itself? This is a separate topic?

MR. CHAIRMAN: That's a separate topic, and it's on our agenda.

DR. ELLIOTT: I'll make the motion that we accept this.

MR. CHAIRMAN: Moved by Dr. Elliott that we accept the budgets as submitted by the Auditor General.

MRS. KAMUCHIK: Are you accepting the budget of \$10,833,000 plus the \$115,000 that he's requesting? Because that's what his letter says. He's asking for another \$115,000 in addition to, if I read it correctly.

DR. ELLIOTT: Mr. Chairman, can we go in camera for a minute?

MR. CHAIRMAN: Yes. Let's just go off the record and review this matter.

[The committee met in camera from 10:36 a.m. to 10:42 a.m.]

MR. CHAIRMAN: Dr. Elliott.

DR. ELLIOTT: Yes. I'm making a motion to approve the budgets presented by the office of the Auditor General, and that will include the \$115,000 identified in his letter to the chairman dated November 29, 1988.

MR. CHAIRMAN: Okay. Are we agreed to that motion of Dr. Elliott's?

HON. MEMBERS: Agreed.

MR. CHAIRMAN: Okay. The motion is carried.

The estimates for the budget of the Chief Electoral Officer are contained under tab 5.

MR. FOX: Mr. Chairman, we had quite an extensive discussion last meeting regarding how the payments were handled in terms of the Liquor Control Board plebiscites. Did we resolve that issue?

MR. CHAIRMAN: Yes, we have. If you look under tab 5, there's a letter dated November 29 from the office of the Auditor General to myself which in effect says that the amount and the manner in which the Chief Electoral Officer was previously handling those -- that is, receiving and paying for those plebiscites and then passing over that bill later on but nevertheless including it in his budget -- was not the appropriate way of handling it. Therefore, what the Chief Electoral Officer would tend to do in the future -- and I've discussed it with him -- is that when he receives any such accounts, he will merely pass those over to the ALCB, indicating that in his judgment the amounts are proper and asking them to kindly arrange for payment. So under the elements of his budget that has been placed before us there was a line item of \$17,000 for ALCB plebiscites, and it would be appropriate to remove that \$17,000 from the budget estimates that he has submitted.

The Auditor General, however, did indicate that the Chief Electoral Officer should include in his budget amounts required to provide "guidance and supervision" over liquor plebiscites but not the amounts that are the responsibility of the ALCB. I'm reading from item 4 of the letter of November 29. I dis-

cussed that with the Chief Electoral Officer as well to determine whether or not there were any elements of cost to the CEO for guidance and supervision, and he indicated that no, those would just normally be part of the cost they would assume. Therefore, as I say, the \$17,000 in total could probably be removed from the budget estimates of the Chief Electoral Officer. That would have the effect of reducing the total amount requested by the \$17,000 and, instead of an increase of \$11,023, would result in a decrease in the budget of \$5,977.

DR. BUCK: So moved.

MR. CHAIRMAN: Any other discussion before I entertain Dr. Buck's motion?

MR. FOX: Well, let's back up a second here.

DR. BUCK: You mean you want to go on record saying you're not supporting the decrease?

MR. FOX: No, no. You're jumping the gun here.

DR. BUCK: Just kidding, Derek.

Well, basically, Derek, what they're doing is taking out that \$17,000 which should not have been in this budget.

MR. FOX: Yeah. I just wanted to look at the other budget figures. For example, under the Manpower component there's a Salaries increase of \$17,000, a Wages increase of \$4,000. I just wanted to establish for my own satisfaction what that relates to.

Can anyone see in the explanation of the Administration Element... In terms of Salaries, there's an increase requested for \$17,053. I'm just wondering if that's an incremental increase based on salary adjustments approved by public services.

MR. CHAIRMAN: Perhaps we might just refer -- if you have your copy of *Hansard* of November 15 before you, Mr. Ledgerwood spoke to those items on pages 27 and onward, I believe.

DR. BUCK: Where did you find that, Mr. Chairman? In your little...

MR. FOX: He brought it with him.

DR. BUCK: Oh, I see.

MR. CHAIRMAN: I'm just trying to find the precise paragraph here.

DR. BUCK: You can estimate it. You can refresh our memories.

MR. FOX: We'll give him time to find it too.

MR. CHAIRMAN: Okay; I think I've found it. On page 26 in response to a question from Mr. Ady Mr. Ledgerwood pointed out that the salary figure of \$302,467 was the actual wages for staff personnel as of July 1, 1988, and subsequent to that non-management personnel received a salary increase of about 3.5 percent. He points out that this has not reflected, nor has he tried to forecast, the management increases or the nonmanagement increases. So that's the budget as of July 1, 1988.

MR. FOX: So, in other words, it's a straightforward reflection of increases granted to people in a particular classification.

MR. CHAIRMAN: Yeah. The \$302,467 constitutes a status quo situation; in other words, the salary as of July 1, 1988.

Mr. Mitchell asked the question:

And you do not include any provision for increases.

And Mr. Ledgerwood responded:

We don't anticipate any increases. We don't forecast those.

Does that answer your question?

MR. FOX: I think it does. I think I would just like to make the point -- perhaps it's been made in our meetings before -- that we request of the three officers submitting budgets to us that they agree on format and terms, you know, for describing . . . The Auditor General, for example: we've got figures -- '89-90 budget, '88-89 forecast, and '88-89 budget -- three sets of figures that we can compare. And here we've got from the Chief Electoral Officer the '88-89 estimate compared to the '89-90 forecast. Just in terms of using the same terms so that we know what we're dealing with here.

MR. CHAIRMAN: Yeah. We brought this to the attention, actually, of all three officers following that. And I think we do have a response that indicates that there will be some uniformity among the officers in their budget estimates submitted in the next fiscal year.

DR. ELLIOTT: I hope we flag that issue, Mr. Chairman, as we all sit around this table 12 months from now . . .

DR. BUCK: Not all of us. Most of us.

DR. ELLIOTT: . . . and that we bring that to their attention.

MR. FOX: I appreciate the confidence you've expressed in us.

MR. CHAIRMAN: Any other comments or questions in connection with the budget?

MR. FOX: The quorum's been restored. I move we accept the budget figures as presented to us for the Chief Electoral Officer.

MR. CHAIRMAN: Could you add to that, "with the deletion of the \$17,000 for ALCB plebiscites"?

MR. FOX: Yes, certainly. I'm sorry; I thought we'd clarified that by motion at the outset.

Moved that we accept the budget figures as presented to us by the Chief Electoral Officer for the '89-90 budget year, with the understanding that the \$17,000 allocated for ALCB plebiscites would be deleted as per the recommendations of the Auditor General.

MR. CHAIRMAN: Okay; that's the motion of Mr. Fox. All those in favour?

HON. MEMBERS: Agreed.

MR. CHAIRMAN: Carried.

The next areas in our budget relate to salary reviews, and I think it's appropriate and indeed is the practice of our committee to go in camera with respect to our discussion on these matters.

Therefore, I'll ask for a motion to go in camera.

MR. G. CLEGG: So moved.

MR. CHAIRMAN: Mr. Clegg.

The motion is carried.

[The committee met in camera from 10:58 a.m. to 12:22 p.m.]

MR. CHAIRMAN: We are now back on the record, having had an opportunity to discuss at length the salary review situation in respect to each of our officers. I think it'd be fair to conclude that members feel that we should try to adhere in the future to given guidelines as they relate to salary reviews, but at the same time exercise a certain degree of discretion that relates to performance. It's been determined, if I gather the consensus, that we should try, first of all, to reflect the percentage increases that have been given to comparable management level public servants and at the same time reflect an appropriate percentage as it relates to their performance. I think it also has been agreed that we are fortunate to have three officers who have performed their services well and certainly deserve recognition in that respect. So, having said that, perhaps we can ask for motions as it relates to each of the officers, and we'll vote on those motions accordingly.

Mr. Clegg.

MR. G. CLEGG: Thank you, Mr. Chairman. I would like to make a motion that we increase the Auditor General's stipend by 6 percent effective April 1, 1989.

MR. CHAIRMAN: That's a motion by Mr. Clegg. All in favour?

HON. MEMBERS: Agreed.

MR. CHAIRMAN: The motion is carried.

Mr. Mitchell.

MR. MITCHELL: I move that we increase the Ombudsman's salary stipend by 6 percent effective October 1, 1988.

MR. CHAIRMAN: A motion by Mr. Mitchell. All in favour? Carried.

Dr. Elliott.

DR. ELLIOTT: I'd like to move that we increase the Chief Electoral Officer's salary by 6 percent retroactive to August 1, 1988.

MR. CHAIRMAN: A motion by Dr. Elliott. All in favour? Carried. Okay.

I think it's important for the record to show that the reasons for the retroactivity in respect to two of the officers relate to undertakings by the committee to review their salaries as of those dates and that those dates constitute the anniversary of their appointments.

Item 9 on the agenda is the Appointment of Auditor -- Office of the Auditor General. The Auditor General, in the request to the committee, has submitted three résumés of firms for consideration by the committee. Each of you has received copies of those contained in your materials. I know that it's difficult -- at least I found it difficult -- to review them from the standpoint of

some sort of objectivity in assessing their capabilities to undertake this job. I must say that I did try to scout out, to try to get some sort of objective criteria. The only real factor that I could bring to bear on the thing was that the firm of -- is it Kingston Ross?

AN HON. MEMBER: Yes.

MR. CHAIRMAN: ... has been appointed as the auditor for the Institute of Chartered Accountants, and apparently in previous years that has been one of the criteria used by this committee for purposes of selection of the auditor for the office of Auditor General.

So that's the only, as I say, factor that I could bring to bear. Others may have some familiarity with the firms and want to make comment or make suggestions in respect to this appointment.

DR. ELLIOTT: What is the term of this appointment, Mr. Chairman? Can we review the conditions of the appointment? Is it one year? Two years?

MRS. KAMUCHIK: They're appointed every year. But I think it's every four years, or is it six, that the committee changes ...

MR. CHAIRMAN: By practice.

MRS. KAMUCHIK: Right; by practice. They rotate.

DR. ELLIOTT: Okay. So we're appointing a new firm, then, now. And they traditionally will be the auditor for this office for the next four years.

MRS. KAMUCHIK: Uh huh. Well, every year, though, the committee has to review whether they want ...

DR. ELLIOTT: Yes, but it cannot go past four years.

MRS. KAMUCHIK: No. That's right.

MR. CHAIRMAN: I think what you're concerned about is that we are appointing for a one-year term and that it's practice to renew such approvals yearly for a given period of time. But we're not bound to that by any means.

MR. G. CLEGG: Not bound to four years.

MR. ADY: Who is the retiring ...

MR. CHAIRMAN: It's the one that merged with Peat, Marwick.

MR. FOX: Reid & Cameron.

MRS. KAMUCHIK: Reid & Cameron, and they've only been auditors for two years. Before that it was Sax Zimmel Stewart, or something like that, and they were auditors for the Auditor General's office for four or five years. But it is a practice to rotate, not keeping the same ...

MR. FOX: See, what made us reconsider Reid & Cameron is that they are now merged with a company that is performing audit service for the Auditor General, and in our wisdom we

decided that that was perhaps inappropriate.

DR. ELLIOTT: Next question. And we understand that these firms that are shown here are not serving the Auditor General's office in any other capacity at this time?

MR. CHAIRMAN: That's right.

MR. G. CLEGG: That's right, Derek. They cannot serve if we give them this appointment.

MR. MITCHELL: As any kind of government auditor? Any auditor of the government?

MR. G. CLEGG: No, they can't. If I am correct, they cannot do any audit ...

MR. FOX: Well, they can. We just decided that perhaps there's a potential conflict of interest there, and it's not ...

DR. ELLIOTT: They're at least not hired by the Auditor General's office to do an audit for ...

MR. FOX: Yeah, that's right. In our judgment, it's not in the best interests of the operation to have someone performing an audit at the AG's office to also act as agents for the AG's office.

MR. CHAIRMAN: Could I have a motion, then, with respect to appointment of an auditor for the office of the Auditor General?

MR. G. CLEGG: Well, I'd be prepared, Mr. Chairman, to make a motion that we appoint Kingston Ross as our auditors for the year 1989-90. Is that correct?

MRS. KAMUCHIK: Auditors of the office of the Auditor General.

MR. G. CLEGG: Office of the Auditor General for the next fiscal year.

MR. CHAIRMAN: All in favour of that motion? Carried.

Item 10 on the agenda, Conference Attendance Report: Dr. Elliott, Mr. Ady, Mr. Clegg.

DR. ELLIOTT: Mr. Chairman, I was asked by some of the members that were with us on that assignment to make some jottings, and I did, for presentation at this time. I will speak to this on behalf of our group, and you can have the rest of these for members that aren't here.

For purposes of time, Mr. Chairman, I'll just go briefly through these comments I've made here, and if they raise any questions, we'd be happy to review them. This is the 10th annual COGEL conference that we attended in Florida, and the conference theme, Let the Sun Shine In, honoured Florida's pioneering role in the sunshine legislation. They were one of the first jurisdictions in North America to really bring cameras and sound equipment right into their meetings and visitor galleries and so on. The ethics of open government were built on a public which is informed and willing to become involved. These are quotes from various speakers as I lump them together under these various headings.

The failure of open government is considered the major cause of Watergate 1974, and that was a national issue, of

course, that reached right into the White House. This was of some significance to the people of the States, because all of a sudden less than 19 percent of the American people had confidence in the White House and its operation. However, all didn't recover, because in the 1988 presidential election 63 percent of the voters in the States apparently wished they were voting for somebody other than the person they did. The ethics of disclosure were reviewed in detail, with emphasis on reporting techniques, record keeping, filing thresholds, corporate and union activity, penalties, political advertising, where lies are considered to be a major issue. Limited campaign funding has made elections more fair in some people's opinion, but still there's a long ways to go, and they think here that the involvement of public funding for candidates seeking nomination or seeking election would provide more control and remove some of the unethical things that happen in elections. Total disclosure of government activities in election procedures may improve ethics and may improve public confidence, but they fear it's also going to be one of the things that's going to eliminate a lot of very good candidates from standing for election, because they won't be able to stand or will refuse to subject themselves to that scrutinizing.

Third-party advertising was an interesting topic that got kicked around a bit, especially when it was after our own Canadian election, when they were referring to issues . . . There were good examples in Canada; for example, where the involvement of certain provincial governments and other interest groups on issues such as free trade and abortion -- when they were coming out very publicly with massive expenditures on those topics right in the middle of an election campaign. That has to catch some people's attention.

The media was debated vigorously. This was the third time I've attended one of these meetings, and the media always attracts a large portion of the agenda. While it's considered a good ally of those lobbying for disclosures and access to information, there are certain responsibilities that the media is being accused of not measuring up to. They figure they don't always do the job well, but then of course maybe politicians don't do their jobs well either. They either don't release all the information, or they get bad information, or they will use information to their own personal advantage, irrespective of what is ethical, aside from the fact that governments generally have a strong propensity to cover up.

The Canadian role in this program I think has been a fascinating one. Canada has played a major role, and our own federal Chief Electoral Officer, Jean-Marc Hamel, has been a real strong pillar in this COGEL organization. The one and only life membership that's been awarded to this point went to Mr. Hamel.

The 1987 conference in Quebec City yielded a profit, one of the few conferences in the 10 years that ever did yield a profit, and that \$18,000 was placed in the hands of COGEL to start a foundation for the purpose of funding research and publications on governmental ethics. Canada is of the opinion that we are not taking enough advantage of examples set in Europe, especially England, France, and West Germany, where ethics are relatively high with a minimum amount of legislation governing them. The 1989 conference will be in New Orleans and the 1990 conference in Alaska.

The United States has some major problems with ethics laws, and Canada's not without concerns. It's recognized that usually what happens in the States, somewhere 10 years down the road we can expect the same kind of things happening in Canada. If

this is the case, we've got some real troubles ahead of us.

My observations with COGEL are that it offers a real vehicle for us to become involved with and to help establish some uniformity in the ethics laws that will help us clarify some of these unethical procedures, the procedures that are causing so much grief in such things as nominations, elections, and funding. My personal thank you to the committee for being one of those that went, and the others might want to add some comments to it.

I didn't include in my report some interesting little things like the words and the jargon that are thrown around. The sunshine law: I was there for quite a while before I figured out what the heck they were talking about there.

MR. FOX: The sunshine what?

DR. ELLIOTT: The sunshine law: letting the sun shine in. Open the door; bring in the visitor gallery, the cameras, the recorders, the press -- have press present. Like this is an open meeting here; the press could be here if they wanted to be sort of thing. But many, many government operations like this one here are done behind a closed door, and that's why you destroy public confidence of course. That's when the media start to get pushy. We don't have to draw pictures to show how that's done, but the more you open up all government activity and let the sun shine in, the better it works. So the sunshine law was the thing that was thrown around a lot there.

Other interesting jargon: daisy chaining was another word that was thrown around. Daisy chaining, as I understand it, is the spreading of confidential material by one person. The example that was used is: the mayor will daisy chain through his council by talking confidentially to each alderman, but at the same time his story will accumulate. So he'll relate the discussion with councilman number one, with councilman number two in a confidential way. Discussion will take place; the discussion grows. Councilman number three: the mayor will then add to that discussion as he goes. This, depending upon the topic, can become an extremely dangerous kind of an activity, and councillors don't know how they're being manipulated and handled in a daisy-chaining exercise.

National voting day was a very serious thing, because the States suffer the same way we do in Canada. The people in California feel they're wasting their time voting because elections are usually decided. There was some time spent on that one, such as a standard voting time or a standard ballot-counting time so that right across the nation the ballots are counted at the same time. One person said: "Sure; let's vote on Friday and count the ballots on Monday. That would be very simple. Do it that way, long after all polls are closed. Count nothing until the polls are closed."

Then they talked about the media and the important role that they play with respect to balloting and how the press can call the results of an election, can identify the winners and the losers so very, very accurately. They're doing it by exit polling. Now, exit polling, according to the definition I got, is that a good newspaper person can stand at a poll and will ask the people coming out how they voted. According to the statistical manipulation of numbers, they can tell by the people coming out of the poll how they voted, and when they put their act together before the polls are closed, they can tell you right off the bat, I mean with not even a ballot counted, because the press counted them by exit polling. The poll was taken by talking to people who had just cast their ballot, so they didn't have to wait to count the ballots. That's why the media, when they're on the

job, through their exit polling exercise can call the winner anyway before the ballots are even counted. So how do you control the press? This exit polling is becoming extremely refined and very accurate, and it's also a big-money deal.

Recruiting people after retirement: that's called the revolving door exercise. Florida is trying to introduce a two-year wait, so that if our superintendent of Treasury Branches retires one day, he's not going to be hired back as a consultant the following day. He'll have to wait for two years, 24 months, before we can hire him; no more revolving door. This is considered to be an extremely unethical exercise.

Third-party advertising I touched on.

One person used the words that anybody in the business of government and politics that doesn't pay close attention to the role of ethics and the importance of ethics is on a career limiting behaviour pattern. I just threw that out for you: a career limiting behaviour pattern.

Those are my comments.

MR. MITCHELL: That brings me to my question. Was there any discussion on freedom of information legislation?

DR. ELLIOTT: Yes.

MR. MITCHELL: What did they think about that?

DR. ELLIOTT: That freedom of information to the point that in one instance one person in his report -- again, I think it was Florida. Florida is really taking an important role, because Florida had to. Florida was right at the bottom of the heap when it came to ethics. Fifteen years ago, I guess, the problems in Florida were so bad that the people actually took over the whole cause of ethics and just literally cleaned up the courts and the Legislature, and that's when they brought in all this sunshine legislation. In Florida today, a decision could be made today that we're going to do something big, but nothing will be done for at least 30 days, until the public has an opportunity to scrutinize, review, and determine the decision. There'll be no action taken for 30 days. So a government can't decide, "Today we're going to do this," and tomorrow start doing it. There's a 30-day gap.

Now, the freedom of information, the degree: I just don't recall the exact figures on that. But the freedom of information, of course, is what this whole sunshine law is about, that information has to be disclosed. There's no information to be made free if the public stand there watching you make your legislation.

MR. MITCHELL: What about contractual arrangements, loan guarantees, those kinds of things?

DR. ELLIOTT: Those, again, would be displayed, but only within the restrictions of what is considered a legitimate, confidential business arrangement. In other words, if a contract is made with one outfit, because of the competitive nature or some such thing, there has to be some degree of propriety applied.

MR. MITCHELL: Will you be making the same report to your caucus? Because there are some excellent things in here.

DR. ELLIOTT: Yes. That same report is going to be circulated to the entire caucus. Furthermore, I'm going to expand it into a 35-minute presentation for a Rotary Club in Grande Prairie next

Wednesday.

MR. MITCHELL: What about the consulting relationship or problem with respect to privatization? Where you cut out sections of a department, these people are now not employed, but they do set up private arrangements. Can distinctions be drawn in those cases?

DR. ELLIOTT: In Florida they can't consult for the government for two years.

MR. MITCHELL: Even if they're let go? You see, I think there's a qualitative difference, it seems to me. If I retire at 50...

DR. ELLIOTT: They're not being put right back on the payroll. But that's getting awfully close to the revolving door policy we're having to cope with.

MR. MITCHELL: Yeah.

DR. ELLIOTT: This conference leaned heavily on this aspect I was hitting here with respect to sunshine legislation. A previous conference hit heavily on such things as enumeration for elections. There are examples given all across the country of how when enumerators go into an area to enumerate the voters, in some states and some counties they carry sidearms, and in some places they don't go into the area to enumerate unless they have police protection with them.

MR. FOX: God bless America.

DR. ELLIOTT: There are places in New York where there will be, say, a four-complex walk-up apartment, and when the enumerator arrives at the door and looks at the sheet of paper that she's going to be working from, there will already be maybe 120 names registered to that address. Now, does that mean there are 120 people living in those four units? And who's going to walk in and challenge the first guy that might be there? That's why you have police protection and sidearms and that sort of stuff. So when I talk about what's 10 years down the road for us as a province, as a nation, if we don't really take this kind of thing seriously... You know, I'm not doom-and-gloom here, but the thing is that the power of politics is scary. One person's quote here, which I think I can find, is referring to dollars: our cause of the decline in our ethics is selfishness and cynicism. If you think dollars will do everything, then you will do anything for dollars. When politics becomes real big money, that's where the decline comes.

The other thing is: it doesn't seem to be a bad idea, because everybody's doing it. If it seems reasonable, then you can go ahead and do it. That apparently is an issue in Japan today, where it's just kickbacks in politics and government contracts. It's so standard that it's just understood by the entire nation. If finally somebody gets caught and goes to jail, nobody is upset about it, because they know that everybody's doing it. Of course, the ultimate in that is the little placard my daughter bought me one day that I set on my desk that says he who dies with the most toys wins. That was the way I bought her her last bicycle.

Now, we have two other guys who were attending here, so maybe they might have a different interpretation on some of those issues. They stuck me with putting the things together

because they knew I was making notes.

MR. ADY: He could read his own writing.

MR. G. CLEGG: Yeah. Well, I think Bob has done a wonderful job. I don't know what I can add except, you know, a lot of these were in debate stages, so a lot of times you would get different opinions on many of the items that Bob had mentioned.

When we talk of ethics throughout, certainly in the United States and Canada, then a lot of people felt very strongly that ethics are something you can't legislate. You know, it's very difficult to legislate somebody. There has to be the dedication with any elected officials, regardless of whether it's provincially, federally, Senators, or whatever. The person has got to go in there with the attitude that his ethics are going to be very strong. I mean, you can bring in one law, and then there's a little loophole here . . . That was a lot of the key to the dedication and commitment. You know, people go in there to do the very best job they can do, without worrying about anybody doubting their ethics.

So I don't know what else I can add. Bob has analyzed it very well. Certainly I want to personally say thanks to the committee. You know, it's a massive amount of information, and you have to kind of decide which side you want to take and defend, so it was a very good conference.

MR. ADY: I had a couple of things. First of all, again I'd like to compliment Bob for putting that together. It pretty well covers it. I did notice, if I could just enlarge on a couple of points he made, that there seemed to be a real thrust to have more campaign funds publicly funded, because they felt that one of the big causes for people being unethical was because, depending on where they got their campaign funds, there seemed to be pressure there for them to yield. Certainly this has already happened at the presidential level in the United States. If they take any of that money, they have to take all of it and then account for it, and then they can't go above it. If they take any, they have to stay at the level that comes from the tax coffers. This committee makes a recommendation that this be expanded to other levels of politics and thereby eliminate that kind of pressure.

The other thing that I thought was interesting there is that there are people in the United States who now make a business of selling ethics to business. They can go into businesses and set up a code of ethics for a business to operate by. Although there is not a high subscription to that yet, it is gaining interest. The companies that have adopted that philosophy appear to be really committed to it and find that it's well worth while, and it's gained prominence.

You probably have some . . .

DR. ELLIOTT: I have a note on that right here. It says that the key is to build an ethics system into your company, just like you build an audit system, so that employees can be asked and will know and can be guided by the processes, the procedures, and the rules.

On the other topic about public funding, I didn't realize that we were so much involved in public funding, but we are when it comes to election donations and tax recovery or credit. So there's a high degree of public funding. Then if it can be capped -- and it is capped in most provinces, you know. There are limits that you can collect on your income tax, but then there's no limit beyond that, but you can probably . . . We have

a disclosure system.

MR. FOX: There are individual contribution limits.

MR. MITCHELL: There's no limit on campaign spending here.

MR. FOX: No, but there's a limit to the amount that any individual or group can contribute.

MR. MITCHELL: But if you can get a hundred thousand dollars, you can spend a hundred thousand.

AN HON. MEMBER: That's right.

MR. FOX: Provincially, not federally.

DR. ELLIOTT: I went through a nomination three years ago where there was an almost vulgar amount of money collected and spent on a nomination among all three candidates involved. I don't know whether this would apply to nominations, when they start talking about -- or whether it's going to apply everywhere. Who knows the quote, "A fool and his money are soon elected"? That's what almost happens at the nominations.

MR. ADY: So it has some merit.

MR. MITCHELL: I think there are two funding gaps that need to be considered. One is nomination funding, where you could have controls on that, and secondly is leadership campaign funding.

DR. ELLIOTT: The same thing applies. That's why reference is made to the American presidential race.

MR. ADY: I suppose it would be more difficult in this country, where you have multi parties down to the leadership campaign funding. In other words, a new party comes into focus, and all of a sudden they want to have a leadership contest, and all the money goes to them, and they maybe only have 500 members or something. It does put a different light on it in Canada, but not to say that that problem itself couldn't be overcome.

MR. MITCHELL: You could require minimum membership and things like that.

DR. ELLIOTT: Given the massive agenda, Mr. Chairman, one of the things touched on was extending the right of the ballot to criminals or people in penitentiaries, to the confined or whatever the word is, and to people in mental institutions, which normally heretofore have not had the ballot. On the provincial level our Chief Electoral Officers have the authority in most provinces to make that decision. The Chief Electoral Officer in Manitoba made the decision in the last provincial election that prisoners would have the vote. Everybody from across Canada gathered in Manitoba at that time to observe and everything else, and our Chief Electoral Officer was there. To get returning officers to work in prisons, they had to bring back retired guards -- now you're into a revolving door situation -- because you had to have certain people who passed security tests and so on to get into those prisons to act as returning officers. If you carry that to the extent that somebody pointed out, it means that through the systems that work, apparently, in prisons, you could have a prisoner elected an MP or an MLA. Now, how would a person serving a

prison term then sit in the Legislature? Because it's not impossible to have in a polling area where you have a large penitentiary; that entire vote could in fact tip the balance and maybe elect one of their own.

MR. FOX: You mean if you can vote, you can run.

DR. ELLIOTT: If you can vote, you can run. That's right. And if you're elected, you can sit in the Legislature, a sentence term notwithstanding.

MR. FOX: Well, half of them that get elected get sent to prison anyway.

DR. ELLIOTT: Yes. That's because they are corrupted by the -- what is it there? Because they're on a career limiting behaviour pattern, which means that instead of looking for the reasons for the laws, they're looking for ways to go through the loopholes.

MR. FOX: That was a facetious comment, for anyone reading this record.

For the interest of members I'll just point out in the Election Finances and Contributions Disclosure Act the limit to contributions in Alberta, provincially, in any year: \$15,000 to a registered party from an individual, "corporation, trade union, or employee organization" and "\$750 to any registered constituency association," with a \$3,750 aggregate maximum limit. In a campaign period it's \$30,000 to a registered party and "\$1,500 to any registered candidate."

MR. CHAIRMAN: All right. I think those were very good re-

ports from all three. I think it's valuable for us to take the time to explore these sorts of things, and indeed it may be appropriate for us to revisit some of these topics at another time. So I thank each of you for your contribution to the process of reporting.

Item 11 on the agenda is Other Business. Is there any item that any member wishes to bring forward?

Item 12 is Date of Next Meeting. [interjection] Sorry; Dr. Elliott?

DR. ELLIOTT: I've just changed my mind, Mr. Chairman. I just realized the tape is running, so I'll not come out with my dumb comment on this one. But it is time for a party.

MR. CHAIRMAN: The Date of Next Meeting is item 12. I think, really, what we'll do is have that at the call of the Chair. It's probably appropriate, since we have accomplished, I think, most of the business that relates, certainly, to the budget.

The 13th item is Adjournment.

MR. FOX: I so move.

MR. CHAIRMAN: I beg your pardon. Before we accept that motion, Louise has copies that I will distribute of the conferences and the dates for the 1989 conferences in relation to each of the offices. As you recall, there are basically four conferences that members have been attending. We'll distribute those so that each member has a copy.

Now I will entertain your motion.

MR. FOX: I move adjournment.

[The committee adjourned at 12:58 p.m.]

