

[Chairman: Mr. Hierath]

MR. CHAIRMAN: Well, I think we've got everyone here this evening that's coming, so I will call the meeting to order.

I guess the first order of business is to ask for a motion of approval of the agenda.

MR. BRASSARD: I'll so move.

MR. CHAIRMAN: All those in favour of Roy's motion for approving the agenda? Opposed? Carried.

The next thing on the agenda is approving the minutes of a couple of meetings. One is the February 15 meeting, which is under tab A of your binder. I think I will need two separate motions. Don Massey, would you like to make a motion?

DR. MASSEY: Moved as printed, yes.

MR. CHAIRMAN: All those in favour of approving the February 15 minutes? Opposed? Carried.

The June 27 meeting is the telephone conference call that we had, so if I could ask someone to make a motion to approve those. Roy?

MR. BRASSARD: I would move that.

MR. CHAIRMAN: All in favour? Opposed? Carried.

I would like to welcome Bob Clark to our meeting this evening. Without any further introductions – you've read over the agenda and have an idea of what Bob wants to talk to us about this evening – I think I'll turn it over to Bob. If you would outline some of your points this evening to us.

MR. CLARK: Thank you, Mr. Chairman. Thanks for putting me on early in the agenda. I appreciate that. The four points I want to raise with you really are a result of the first year's operation as far as the office is concerned, and I would very much appreciate your reaction to the memo that has gone to the chairman. My plan is that following your reaction and perhaps some suggestions that we haven't thought of, I then would go forward to the Minister of Justice and ask him for changes, which will include the three items that I wanted to discuss with you this evening. As I understand the practice, Mr. Chairman, once the suggestions have been made to the committee and the committee has an opportunity to react to them and to refine them somewhat, I would pass them on to the Minister of Justice and then his people would do the drafting and go from there. I should say that there are no imminent problems as far as these matters are concerned, but they're based on our first year's experience.

The first one deals with contracts with the Crown, primarily contracts which members have with Alberta Treasury Branches.

The second item deals with direct associates, a second company that's owned by the member or controlled by the member, who would not be a direct associate. Should that company be able to enter into contracts with the province?

The third deals with the question of disposal of records. The practice I am following now is that six months after a member ceases to be a member, we get ahold of the member and say, "Do you want your confidential disclosure documents sent to you, or do you want us to destroy them?" Some say, "Destroy them quickly, please," and others say, "Send them back to me, will you please." That's what we've done. There's no guidance as far as the legislation is concerned. It's rather a practice that we've followed,

and it dawned on me that it's something that I hadn't discussed with you.

The fourth matter deals with blind trusts. You'll recall that under the legislation now cabinet ministers can't hold shares in stocks unless they have a blind trust. Under the legislation a blind trust cannot have mutual funds. After a year's experience, I can't see a good reason why mutual funds cannot be included in the things that a trustee can invest in.

So those are the four items. If the chairman is agreeable, perhaps I'll discuss the first item, and then we can get some reaction.

MR. CHAIRMAN: That sounds good.

MR. CLARK: Item 1, which is section 8, deals with contracts with the Crown. I've had a number of requests for advice under this section of the Act. It mainly deals with members who have loans with the Alberta Treasury Branches when they become a member or loans with the Alberta Agricultural Development Corporation. My experience has been solely with ATB to date. The legislation goes on to say that a member cannot enter into a loan with the Treasury Branches once they're a member. That's been no problem at all. The difficulty we have is let's say that I become a member, and I've got a loan at Alberta Treasury Branch for three years, and three years is perhaps in the middle of a term. I have interpreted the legislation to say that the member cannot enter into a new loan. The legislation gives an opportunity for the commissioner to approve a renegotiation. I have gone to the original draftsman of the legislation through the Minister of Justice's department, Glen Acorn, and also to our own legal advice that we get from outside, and it's all over the place.

Just a bit of background on the legislation. This legislation first came in way back in 1955 when two members of the government at that time, two members from Lethbridge and Taber, actually, Lee and Landeryou, had loans from the Treasury Branches and had bought hotels or buildings and rented them out. There was an election call right after, and the government of the day nearly fell as a result of that. The result was that this legislation was put in to stop that kind of thing, and it's been an ongoing problem all the time.

Now, I think we've had five or six members who are presently in the House who have short-term or long-term loans from the Treasury Branches. As Victor would know better than I, loans get approved now, but the interest rate can be changed in six months or a year or a year and a half or two years. Is that a renegotiation or not? Did the member get a benefit if the loan is lower? In all cases where I've discussed it with members to date, members have gone out and got loans outside from other financial institutions and, I think it's fair to say, at no loss to themselves.

The people in the Alberta Treasury Branch, who have been extremely co-operative, are of the view that if the interest rate changes in six months or a year or a year and a half, the contract is still in place even though the interest rate has changed. I take the position; I hear what you're saying, but I think it would be awfully hard for any member to defend to the public, because the interest rates go down a half a percent or a quarter of a percent, that that isn't a benefit the member has got as a result of being a member. So I've taken a fairly rigid position on this, and I'm really recommending that as is in the legislation there, they should not be able to renegotiate or change the term of a loan. On the attachment, if you look at page 2 on the draft . . .

MR. CHAIRMAN: That's under tab 4.

MR. CLARK: . . . at the top it says Draft Amendment to Section 8, Conflicts of Interest Act, then (d) and (e). If you go down to (2), the

operative part is that

subsection (1) does not apply to contracts which were entered into prior to a person becoming a Member, as long as there is no change to the terms of such a pre-existing contract by renewal, renegotiation or otherwise, while the person is a Member.

This is the legislation I'm recommending to the Minister of Justice. If the committee has some suggestions, I'd certainly hear them. It isn't something that I need to hear tonight, Mr. Chairman. It may be something you may want to reflect upon and get back to me on within two or three weeks, if that's a fair approach to it.

6:45

MR. FRIEDEL: Well, I read this through before coming here, and that certainly makes a lot of sense. It clarifies the position. I haven't heard anyone that would object to having to relocate a loan or a mortgage or whatever it might be from the Treasury Branch after its term has expired, and this basically says that. I have no problems with it.

MR. CHAIRMAN: Roy, you had a question.

MR. BRASSARD: Well, I guess, Mr. Chairman, my whole question revolves around the question why. When this first came into being, we didn't have an Ethics Commissioner. Recognizing that this government has always operated at arm's length from the Treasury Branch and recognizing the confidentiality that has always been exercised, I find it difficult to understand why, with all the checks and balances we have put in place with the Ethics Commissioner that weren't in place when this first hit the fan, so to speak, that still exists today? Why that concern? Are we dealing solely in perception? Are we compromising your position to deal impartially with the two institutions, Bob, from a standpoint of representing the members adequately? I don't understand why in this day and age we need this, to be very honest. Why I can't deal with the Treasury Branch is beyond me.

MR. CHAIRMAN: Well, the legislation says you can prior to becoming a member.

MR. BRASSARD: Yes. I may have gone into this job having dealt with the Treasury Branch for years, established for myself a credit rating and everything over the years, and all of a sudden it would seem to really be a liability to me to force me to go somewhere else, to transfer a mortgage or whatever should the occasion arise. Recognizing that you're there to make sure that there isn't impropriety, that I have to declare that loan, that the transparency is all there in place, that the fluctuations of the market as far as interest rates should be defensible by the bank, I just think, to be very honest, this is obsolete. That's my feeling.

MR. FRIEDEL: I disagree with you, Roy, because we just went through a situation where we almost hired an Auditor General, and because of an indirect association with a firm that had had unfortunate business involvement with the government, the guy was unable to take the job because of public perception. I think this takes away, as indirect as it might be and as innocent as it might be, the opportunity for someone to innocently get involved in a situation where public perception could put him in the frying pan, so to speak.

MR. BRASSARD: With all due respect and no disrespect, I think we're comparing two different situations, Gary. To me it would negate the need for an Ethics Commissioner. If we are going to put enough gates and gatekeepers in place throughout that my dealings are going to be so restricted that I can't deal with whoever I want, then why do we have an Ethics Commissioner? Why do we have

someone making sure that my transactions are aboveboard? To me it seems like duplication.

MR. SOHAL: I agree with you. I think it's a totalitarian approach. We should leave it to the members to decide what's good or bad for them. They're intelligent enough to make their own decisions.

MR. CLARK: Well, in the end, as the legislation sits now, Harry, if a member wants to renegotiate a loan or change the terms of a loan, the member has to come to me and satisfy me that the terms haven't changed and it's renegotiated on the same basis. The Treasury Branch people tell me, no, it just doesn't work that way. Our experience with members is that it hasn't worked that way either, that there's a change in the interest rate or a change in the length of time, Roy. As I read the legislation, if there's a change in it, then the gentleman who wrote the legislation says that that's a new contract. We're going around and around and around, Roy.

MR. BRASSARD: I guess my question to you would be: in your estimation, given the authority of your office and everything, is the legislation obsolete?

MR. CLARK: I think the legislation is poorly worded, yes I do, or I wouldn't be making the recommendation to you.

MR. BRASSARD: But the need even for such reference as to whom I can deal with. Recognizing that I have to clear that all through your office anyway, why do you restrict me from dealing with any bank? If the Treasury Branch can offer me a better rate because of my past record, because of whatever, why should I be restricted when I also have someone sitting there making absolutely certain that I'm doing everything aboveboard? It may put more pressure on you to establish that, but to me it seems to be placing an unfair disadvantage on a member not to be able to deal with the Treasury Branch now that we have the Ethics Commissioner and a new code of ethics and everything else. I guess I would be all for rescinding the legislation rather than modifying it. That's my position, Mr. Chairman.

MR. CHAIRMAN: Were you saying, Bob, that if a member has a loan with the Treasury Branch and if it is a floating interest rate, the moment that the prime – supposing interest was 1 over prime . . .

MR. CLARK: And the moment it changes . . .

MR. CHAIRMAN: No, not that. You were saying that if he wants to consolidate a loan in a longer term or something, that's certainly renegotiating, in your mind.

Victor.

MR. DOERKSEN: Well, Mr. Chairman, in my view, notwithstanding the previous discussion, when you look at the legislation, I would say that this is going to cause additional ambiguity when members come forward. You can take an operating loan and maintain the same term and conditions. Those are reviewed by most institutions annually. In terms of the person getting a continuation of the operating line of credit, you could interpret that either as a continuation or a renegotiation. So you're going to run into some problems there.

The other aspect where I think you might have some problems is with the Alberta development corporation . . .

MR. CLARK: ADC?

MR. DOERKSEN: . . . where the farmers came in for that 9 percent money. Those were often 20-year terms, but again each year those are reviewed. I just think that you're still going to have some problems in definition. I know what you're trying to achieve, and I think what you're trying to do is give a new member coming in the benefit of letting things go naturally and renegotiate as the time comes up for them to do it, as they would have normally. I think that's a very wise thing to do. But you could run into some really sticky situations.

MR. CLARK: And have run into two or three already where members have a business, and they've got, say, a three-, four-, or five-year loan. We've had a couple of members who've had to go to another financial institution because the conditions the Treasury Branch wanted to put on were significantly different.

I guess the other point I should make – and I'm certainly not backing away from the responsibility here at all – is something I'd like to ask you to look at when you look at the legislation more carefully. A sharp lawyer can come and argue and say, "Member X's term has been changed; therefore he's violating section 8 of the Act and can end up in court." I know we can't protect against every eventuality. I guess if that's what someone wants to do, then go at it. I rather see my responsibility as being 90 percent priest and 10 percent policeman, and I'd like to try and protect members as much as I can from getting themselves involved in that kind of a situation.

I hear what you're saying, Roy. From the standpoint of making decisions on it, we've dealt with the case I've indicated already, and I don't think there's been a great outcry from the members.

6:55

MR. BRASSARD: I guess the question still remains: do we need both? Do we need an Ethics Commissioner sitting in judgment of this situation if I'm barred from dealing with it anyway? I guess the answer would be yes based on some of the situations you've described, but I honestly believe in the significance of your office making sure that I'm not contravening any kind of conflict and that I'm not gaining by my position. I guess I feel that it is time now to remove some of these kinds of barriers and turn them over to the Ethics Commissioner, period, and say: "Look, I have to declare all my transactions before you. You determine whether I'm in conflict, and if so, chastise me." But I don't think you should take me out of the marketplace because a lot of people go into this business and maintain certain business dealings. Consequently, if a legal firm has established a good track record with the Treasury Branch or whatever, I think it's an undue imposition to say that now you have to cease and desist from any further dealings when we've already got call it a policeman or whatever sitting there making sure that I do what I'm supposed to do. Anyway, I'm repeating myself.

MR. CHAIRMAN: Is there any further discussion on this point? If not, Bob, do you want to carry on?

MR. CLARK: Okay. The second item. I think I can best describe this one – the whole problem with once being a schoolteacher is that you always like to kind of put things up on the wall. Here's the situation. Now, as you all know, if a company is owned or controlled by a member, the member cannot enter into a contract with the Crown. I've had members on both sides of the House – everybody; please understand this – come to me and say, "Lookit; what I can do under the legislation and under the way it operates now is set up a company as a sub of this," which is still solely owned by the member or controlled by the member, and there's nothing preventing that company from doing business with the Crown.

The problem we have here, I think anyway, Mr. Chairman, is that there's a danger of getting bogged down in trying to put so bloody

much stuff in legislation. You can try to protect yourself from everything. My attitude is that this second company shouldn't be able to do business with the Crown. That should be common sense, and that's the way I'd like to approach it. I don't think we have to change the legislation. That's the way I'd like to approach it, because it just doesn't seem to make sense that you have this company here and then you can spin off another company. You really defeat the purpose of revealing the direct associate and also being able to do business, because this is not a direct associate. It's a quirk in the legislation, but I've had people come to me and say, "Do you know this?" I've had to say, "No, I didn't." Then we checked it out, and that was the case.

MR. CHAIRMAN: Roy, do you have a question?

MR. BRASSARD: Have you had or do you anticipate a challenge to your restriction?

MR. CLARK: No. Members have come to me and said, "You know, I can do this." I've said, "I wish you wouldn't."

MR. BRASSARD: And they haven't?

MR. CLARK: No, they haven't, at least not as far as I know, Roy. I feel confident they would have come and told me.

MR. DOERKSEN: So what is your request under this section then?

MR. CLARK: My request is to legitimize doing that. I don't think it takes legislation. I think I'll just continue doing that. Initially we thought we'd have to have legislation.

MR. DOERKSEN: Yes, but how do we legitimize it? Just say so here?

MR. CLARK: Just know that I'm doing it.

MR. CHAIRMAN: Just know that you're not allowing them to do that.

MR. CLARK: Yes.

MR. BRASSARD: Okay; so then if you were challenged by a member, you would come back to this committee who has approved the use of that method?

MR. DOERKSEN: Or you'd make a ruling.

MR. CLARK: I'd make a ruling. But it's one of these things that I'd like you to know about ahead of time.

MR. CHAIRMAN: Don Massey, you had a question?

DR. MASSEY: Would you inform all the members?

MR. CLARK: Yes, absolutely.

The third item, Mr. Chairman, deals with the question of disposal of records. I would like you to consider the practice that I'm using now. Six months after a member leaves the Assembly – and it would be six months after a minister leaves – so that cleansing period is over, we say to the member: "Do you want your disclosure documents back? If you don't, we will shred them."

MR. SOHAL: That's fine, but what do you do in case you cannot

contact the member or, say, the member dies during the term or after the term or before you could approach the member?

MR. CLARK: The next of kin of the member. That's what we talked of doing, Harry.

MR. BRASSARD: Can I just ask if any of the records that I would hold as a member are indeed the property of the Crown? Acting on the Crown's behalf, particularly in a cabinet position, it would seem to me that there are situations where my actions truly are on behalf of the people at large. Therefore the results of those actions are the property of those people at large, not me personally, and therefore it's not up to me to decide whether I'm going to dispose of them or not. Is there any fine line between what I as a member can chuck out? Or everything that's within my scope I can dissolve?

MR. CLARK: My understanding is that you as a member are the master of your own personal files.

MR. BRASSARD: Including cabinet ministers, et cetera?

MR. CLARK: No, not cabinet ministers but as a private member.

MR. BRASSARD: So are we talking about two different sets of rules here?

MR. CLARK: No. We're talking about six months after a member leaves the House and six months after a cabinet minister. Ministers can't get involved in dealing with the department which they were involved with for six months after they leave the cabinet post. At that time it's my view that their own disclosure documents, the ones that they give to us, the confidential ones, can be given to the member or destroyed. There's no way that that should become part of the public record. That's prevented under the privacy Act.

MR. BRASSARD: I just wondered if there were any that were the sole domain of the government: you can't destroy them whether you want to or not.

MR. FRIEDEL: I think, Roy, that Bob is talking not about the records in your office but the records that he holds.

MR. BRASSARD: Oh, those ones. I apologize. I'm off on a tangent. Sorry about that.

MR. CLARK: Just the private disclosure documents. Those ones that every year we discuss quickly.

MR. BRASSARD: Okay. Yes. Sorry about that.

MR. DOERKSEN: Mr. Chairman, is there anything in the new freedom of information legislation that would restrict this from happening?

MR. CLARK: No, there's not. That portion of our office, Victor, is exempt from the Act.

MR. DOERKSEN: Okay.

MR. CHAIRMAN: Any further questions of Bob on this topic? Okay. The last one, Bob.

MR. CLARK: The fourth is the blind trusts. I would like to amend subsection (iv) to allow trustees to invest in mutual funds. As a

matter of practice in the office, ministers now who do not have blind trusts have received permission from me to invest in mutual funds. I've not forced them to put them into blind trusts if they just have mutual funds. It just seems to me that that, quite frankly, is an unnecessary expenditure on behalf of the private member. Ministers don't know from one day to the next what's invested in those funds, and certainly I can't conceive any action a minister in Alberta could take that would change a mutual fund as broadly based as that. The reason this has come forward is that one of the trustees for a minister came to me and said, "I very much would like to invest in some mutual funds." My initial reaction was, "I don't see any reason why you can't," because I've said previously to ministers who don't have blind trusts to go ahead and do that. There's one exception there dealing with one particular department: if mutual funds are all in the energy industry. But other than that – and I found out that this trustee couldn't because of the Act – I'd like to change that to allow them to invest in mutual funds.

MR. DOERKSEN: What section of the Act does it refer to?

MR. BRASSARD: Section 1(7).

7:05

MR. CHAIRMAN: Don has a question.

DR. MASSEY: If we're finished with item 4, Mr. Chairman.

MR. CHAIRMAN: We're still on blind trusts here.

DR. MASSEY: Oh, okay. I'd like to ask a question after we're finished with item 4.

MR. CHAIRMAN: Are there any questions on blind trusts? Okay. Go ahead, Don.

DR. MASSEY: I would just like the Ethics Commissioner to comment on Roy's concept of his office. If I understand you right, the notion that once we have made our reports and the commissioner has accepted them and we've taken his advice, that's sort of a *Good Housekeeping* seal of approval. I really hadn't thought of it that way before. Is that the way you see the role of the Ethics Commissioner?

MR. CLARK: Could you run that past again, Don?

DR. MASSEY: Well, I may be misinterpreting, but it seems to me what you're saying is that once we have vetted our financial affairs through the Ethics Commissioner and he has sort of said, "Yes, that's fine to do this," there's some approval put on our actions.

MR. BRASSARD: Yes.

DR. MASSEY: I really hadn't thought of it. Is that the way you think of . . .

MR. CLARK: I think that's a fair assessment, Don. Yes.

MR. BRASSARD: Unless they change. Then it's subject to that all over again.

DR. MASSEY: But if the Ethics Commissioner approves of the action, then that's . . .

MR. CLARK: When various members come and we sit down and go over what's going on, I feel I have an obligation to tell a member if I think there's a problem or the potential for a problem. That's how

I got involved in this Treasury Branch thing, Don. I pointed out to members that, you know, the term is up. He had a five-year loan, and it's now getting into the fifth year. What are you going to do about it? The touchy part is if a member doesn't reveal all their involvements. Then I have obviously no responsibility there. But when I file with the Clerk's office public disclosure documents, I'm saying to the public that I've looked at these and I feel that they meet the requirements of the Act and I'm satisfied that what the members have revealed to me is appropriate. If I don't feel that's okay, that it isn't appropriate, I have to tell members. I have said that I don't think this is right, that I'd like to go back and really think about how they're doing that.

Also, Don, look at I believe section 41 of the Act, "binding advice and recommendations." Quite often – in fact I have one on my desk now – members come to me and say: "I'm involved in this kind of a situation. I'm doing this and this and this. I would like your recommendation as to whether this is appropriate. If it's not appropriate, how should I do it so it would be appropriate?" Under that section if the member has revealed all the information to me, I give them advice. If the advice is wrong, it's my responsibility. The member has not breached the Act.

DR. MASSEY: I appreciate that.

Thanks, Mr. Chairman.

MR. CHAIRMAN: Victor, you had a question.

MR. DOERKSEN: Well, I'm wondering, in following Don's comments, whether you couldn't deal with section 8 in the Treasury Branch and the ADC requirements the same way as you propose to deal with the direct associates.

MR. CLARK: I could do that.

MR. DOERKSEN: Because it doesn't look to me under section 8 that it prohibits you from making a ruling like that.

MR. CLARK: It doesn't now.

MR. DOERKSEN: So it might be just as easy to say that as Ethics Commissioner you have determined that this is now how you would propose to rule in these situations as long as it is consistent for every member.

MR. CLARK: What a member or a private citizen can do is challenge that in court, as I understand it, arguing that the member did not get a benefit from the new terms of the Treasury Branch loan and therefore you're preventing the member from continuing at a bank where they have before. Now, that's a very, very narrow legal point, and I'm not suggesting that that would happen. You can't cover every legal eventuality anyway. I'm quite prepared to do that if that's the feeling of the committee. I don't have any difficulty with that, Mr. Chairman.

MR. BRASSARD: Just so I understand, if I may. If the Treasury Branch for whatever reason dropped the interest rate by half a percent and I had a loan with them and benefited from that along with the other 2 and a half million people in Alberta who could have been dealing with them, would that be seen as a direct benefit to me as a member? Or would it take something directly affecting my loan personally, separately almost, to fall into that category of special treatment?

MR. CLARK: My reaction, Roy, is that it would take something

directed specifically to you, and for members that becomes quite hazardous I think. If you get involved in a public discussion that the interest rate for Roy Brassard went down a quarter of a percent or went up half a percent – and these things can become public and sometimes do become public – then it becomes the responsibility of the member and the Ethics Commissioner to explain that that wasn't a benefit.

MR. BRASSARD: I guess what you're asking me to do is really a challenge of my confidence in your office. If my confidence in your office is high enough that I know that you will be able to judge fairly on these transactions, I guess I come back to my original point that I don't see any necessity for other roadblocks.

MR. CLARK: Can I take that one step further, Roy?

MR. BRASSARD: Sure.

MR. CLARK: I don't think it becomes a question of confidence in the decision I make; I think it becomes a question of pointing out to the members the risk involved.

MR. BRASSARD: So we are dealing with perception?

MR. CLARK: Perception to quite an extent. Go back to the '55 situation, Roy. After the election that year there was a royal commission into the thing. It was found that nobody got beneficial treatment, but the end result was that the damage was done.

MR. CHAIRMAN: Any further questions of Bob this evening? Bob, I'd like to thank you.

MR. DOERKSEN: What are we going to do?

MR. BRASSARD: What is the decision on this?

MR. CHAIRMAN: Bob hasn't come here for a decision from us. Is that correct?

MR. CLARK: Yes.

MR. FRIEDEL: At least not today.

MR. CHAIRMAN: That's right. If he is thinking down these lines, he will be talking to the department people and Justice minister and so on.

MR. CLARK: I take it the conclusion from you is this. The changes as far as lending, mutual funds – there's no problem with that one. The question of disclosure or destroying documents – there's no problem with what we're doing there. You don't have any problem with kind of using this commonsense approach here, and you're saying to me that you've got a divided view on whether we should leave the Treasury Branch thing as it is now and rely on me to say: "Lookit; I think you're getting a benefit here. This is a renegotiated loan, and that's taboo as far as legislation is concerned." I get a sense that most members are saying, "Leave the legislation as it is there; we have a sense as to how you're going to administer it," which is to be pretty sticky in that area. Am I reading . . .

MR. CHAIRMAN: In general terms that's probably correct.

MR. BRASSARD: That would be my interpretation.

MR. FRIEDEL: Is that sufficient for you to keep operating, or are we going to have to come and readdress this at some time? If it's just a matter of postponing it to another meeting, I would sooner deal with it.

MR. CHAIRMAN: This committee will not make a decision on that anyway, regardless if Bob comes to us. It'll be made with the Minister of Justice in a proposal that will come through an amendment to the Act through his department, Gary.

MR. CLARK: Then both caucuses would deal with it there.

MR. FRIEDEL: So we're not going to be leaving unfinished business then.

MR. CHAIRMAN: No.

MR. CLARK: I just wanted to get your reaction so that I had some sense as to where to turn with that.

MR. CHAIRMAN: Okay. Thank you, Bob.

MR. CLARK: Thanks very much.

MR. CHAIRMAN: You're welcome.

MR. CLARK: I'm not going to the concert.

MR. DOERKSEN: Your hair's way too short for that.

MR. CLARK: There's just not enough of it.

MR. CHAIRMAN: Thanks, Bob.

MR. CLARK: Thanks very much. Bye.

7:15

MR. CHAIRMAN: Item 5 on our agenda is the legislative offices subcommittee that we struck some months ago that was going to look at alternative ways to conduct enumeration. I've been informed that the makeup of that committee, with two Liberals and one Conservative member, is not proper, that all of our committees and subcommittees need to reflect the numbers between Liberals and Conservatives in the Assembly. So I need to have a motion to rescind that committee and then strike a new committee.

MR. DOERKSEN: I so move.

MR. CHAIRMAN: Okay, Victor. Victor is making a motion to rescind the motion that was previously made, with committee members of Roy Brassard, Gary Dickson, and Frank Bruseker. All those in favour of rescinding that motion? Opposed? Carried.

My feeling is that we still need a committee, especially now that we have a new Chief Electoral Officer in this province. I think that he probably has some ideas to do some changes in how enumerations are being conducted, both more efficiently and more cost-effectively, so I really would like to still have a committee to investigate the whole enumeration process. If there is something with a little more acceptable makeup, then maybe I would ask – I'm sure it means that we would maybe exclude one Liberal and add a Conservative. I'm sorry that Frank and Gary aren't here this evening. I think maybe I would ask Gary Friedel and Roy Brassard and Frank Bruseker to be on that committee.

MR. FRIEDEL: That's not what I was nodding at.

MR. CHAIRMAN: Well, I thought you were. If you would be willing to sit on that committee, Gary, I'd appreciate it.

MR. FRIEDEL: I was trying to say something too subtle. It had nothing to do with consenting to be on the committee. Saying it out loud would have been much too unsubtle. I was being very facetious.

MR. CHAIRMAN: But you would allow your name to be on a committee with Roy and Frank Bruseker; would you?

MR. FRIEDEL: That's putting me on the spot. What the heck.

MR. CHAIRMAN: Did you want to say something, Don?

DR. MASSEY: Well, I guess, first of all, I'm sort of sorry that it came up, because I think we have really worked as a committee across party lines fairly well. At least I felt that way. Maybe I'm without a foundation. So it's unfortunate that it's come up. But certainly I think that if Gary would serve on it, it would be great. It's a job that needs to be done.

MR. CHAIRMAN: It does.

MR. FRIEDEL: Has there been another member of this entire committee that hasn't been on a subcommittee?

MR. CHAIRMAN: We certainly have a lot of subcommittees, especially search subcommittees, and we've certainly used all of them.

MR. FRIEDEL: If someone hasn't been on one of those subcommittees, I'd gladly relinquish.

MR. CHAIRMAN: No. Everyone has been on those subcommittees, Gary.

I would certainly entertain a motion to form a new subcommittee. Harry, would you like to make that a motion then?

MR. SOHAL: Yes, I would.

MR. CHAIRMAN: Now, I think that a personal contact with the new Chief Electoral Officer might get you really off and running.

Anyway, all those in favour of this new subcommittee? Opposed? Carried.

MR. BRASSARD: Could I just add to that a little bit?

MR. CHAIRMAN: Sure.

MR. BRASSARD: Prior to rescinding this motion, following the meeting I had contacted Brian Fjeldheim and asked him for some information to kind of get into the whole issue. He distributed quite a bit of information to me, which I distributed to the other two members. Could I ask you, since you are likely going to explain this to Gary Dickson, would you ask him to return his portion so that we can transfer that over to Gary Friedel. I don't think it's extremely confidential, but I also don't think it's information that can be left out there. If you'd do that, I'd appreciate it.

MR. CHAIRMAN: Sure. I'll explain to Gary what happened in the committee. Okay.

Then the next order of business is the audit of the Auditor General, and that is under tab 6. Kingston Ross Pasnak were

engaged by our Legislative Offices Committee to do the audit for the office of the Auditor General. Since we have not had a meeting for a long time, that invoice has been paid, so I just needed to let the committee know. Usually there was a motion. As you can see from reading these documents under tab 6, the bill came in at the contracted costs, and I just wanted to let the committee know that the bill was paid because of a delay since our last meeting in February.

Don.

DR. MASSEY: Do you want a motion that this be received as information?

MR. CHAIRMAN: Sure. Please.

DR. MASSEY: So moved.

MR. CHAIRMAN: All in favour? Opposed? Carried.

The next item of business is a conference that I attended in Charlottetown, and that is under tab 7.

Victor.

MR. DOERKSEN: Mr. Chairman, do we need a motion again at this point to engage an auditor for next year?

MR. CHAIRMAN: Well, I think maybe what we'll do, Victor, is we will probably have a meeting after the session, in December or January, and that will give us time to engage a new auditor for the Auditor General's office.

MR. DOERKSEN: They have also quoted a lower price for next year. I don't see any reason to delay it until another meeting, but it's at your wish. I didn't know whether you wanted it to be discussed here or not.

MR. CHAIRMAN: Certainly it would appear to me it might be – of course, we'll have a new Auditor General, but one of the things you would normally do is see whether the Auditor General is satisfied with it. I certainly would entertain a motion if that is the wish of the committee.

MR. DOERKSEN: I don't think the new Auditor General has anything to do with whom we appoint as his auditor.

MR. CHAIRMAN: No. Absolutely. But you know there is sometimes some input of a complaint or something that you might receive from the Auditor General. Since we will have a new one starting, if the committee wishes to make that a motion, that's certainly acceptable.

7:25

MR. BRASSARD: Well, I certainly think we should capitalize on the 10 percent reduction that they're offering.

MR. CHAIRMAN: Yes.

MR. BRASSARD: They don't have a time limit on it. How long it would remain fluid, it doesn't say, so I presume that it's a standing offer of \$11,550. But I agree with Victor in that eventually we're going to have to make a decision, and the decision would be made independent of the Auditor General completely because these people are going to sit in judgment of this person. So I see no point in delaying it, and I would so move that we move in that direction.

MR. CHAIRMAN: Any discussion on that motion? All those in

favour? Opposed? Carried.

Then moving on to item 7 on the agenda, the conference I attended in Charlottetown in July. I filed this report in early August and I hadn't read it over before I came here, so I really am not going to be able to give a verbal report that would be as in-depth as what I wrote in the written report. Maybe some of you have read the report plus some of the business session part behind my report and some of the recommendations that the Canadian Council of Public Accounts Committees dealt with at that conference. If there are any questions, I would be more than interested in trying to answer them.

Seeing none, I will . . .

MR. BRASSARD: Could I just ask one question?

MR. CHAIRMAN: Sure.

MR. BRASSARD: In the recommendations from the review of the Canadian Council of Public Accounts Committees, in recommendation 2 the subcommittee recommended that the conference be held biannually, and it was to be amended to read "annual." Was that as a result of an error, or was it just a reconsideration? It would seem to increase the cost from biannual, you know.

MR. CHAIRMAN: That was exactly the reason.

MR. BRASSARD: It was? They felt it should be done every year?

MR. CHAIRMAN: It's a funny thing that everybody wants to be cost conscious, but when they get down to a conference, then all of a sudden they think it should happen every year. It was probably debated more hotly than anything at the conference, how often to meet. But there was a motion the year before to not meet annually, and the people that were there thought it was important to change that to meet annually, so that's what happened.

MR. BRASSARD: Okay.

MR. CHAIRMAN: There was a very strong sense of our spending cutbacks, and it was also very well known amongst the group down there that our Auditor General had got the Auditor General's report out so quickly this year. There are a lot of provinces that have a real long lag time between the end of the fiscal period and when the Auditor General's report comes out. Of course, our Auditor General's report came out just before the conference, and there were a lot of representatives from other provinces that will really go home pushing their Auditor General to make their report a little more expeditiously.

Victor.

MR. DOERKSEN: Mr. Chairman, this conference seems to have been on the Public Accounts Committee, which is not connected with Legislative Offices. Were there other members of the Alberta Legislature that were in attendance as well from the Public Accounts Committee?

MR. CHAIRMAN: No. What has happened in the past, before budget restraints I guess, is that we've sent the chairman or a representative from Legislative Offices and from the Public Accounts Committee, and that's still the practice of most of the other provinces. With our budgetary cutbacks it was decided that we would send a member from either the Legislative Offices Committee or the Public Accounts Committee, so that was why at this conference Alberta only had one elected representative and other

provinces had more than one. Some had two or three elected representatives. I guess if you're, you know, in the maritime provinces, it wouldn't cost much money to have you attend those, so it did seem that there was more participation from eastern Canada than there was from the prairie provinces or from B.C.

Any further questions?

[The committee adjourned at 7:34 p.m.]

MR. DOERKSEN: It's just curious that we would be discussing the Public Accounts Committee in this committee.

MR. CHAIRMAN: There is a strong component of Auditor General and reporting and value-for-money audits, and the Auditors attended this conference, all the Auditors from all the provinces. So there's a very strong component there from the audit offices: how do they make their reports easier for the public and those kinds of discussions, Victor.

MR. DOERKSEN: Okay.

MR. CHAIRMAN: Any further discussion?

MR. BRASSARD: I move that we accept your report.

MR. CHAIRMAN: Okay; thank you, Roy. All those in favour? Carried.

There is item 8 under Other Business. The other thing is to try to pick a date. We will be in need of a meeting in December or January to likely go over our officers' budgets. If we could pick a date, that would be fine. If you would like me to just do the best at co-ordinating one . . .

DR. MASSEY: It's early enough.

MR. SOHAL: Yeah, because other members are not present here.

MR. CHAIRMAN: Sure. Okay. We'll leave that, and we'll come up with a date sometime after the session is over this fall.

MR. FRIEDEL: Is each of the legislative officers going to be doing an update of their three-year business plans?

MR. CHAIRMAN: I think so.

MR. FRIEDEL: That's what we'll be reviewing?

MR. CHAIRMAN: That will be one of the things that we'll be dealing with, yes.

MR. BRASSARD: I would expect that that meeting will entail a few hours.

MR. CHAIRMAN: Yes. The reason is that, you know, December is a terrible month to get committee members together, and I was attempting to . . .

MR. BRASSARD: Could we not do that, Mr. Chairman? Could we not pick a date? Has nobody got their calendar here but me, who came prepared? Am I the only one who came prepared tonight? Usually it's the other way around.

MR. CHAIRMAN: We'll leave it, and we'll certainly do something in December, I think.

So if there is no other business, I'll ask for a motion to adjourn. Harry. All those in favour? Carried. Thank you.