

Title: Estimates of Internat. & Intergovern. Relations, February 29, 2000

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[Mr. Tannas in the chair]

Subcommittee B – International and Intergovernmental Relations

Tannas, Don, Chairman
Laing, Bonnie, Deputy Chairman
Blakeman, Laurie
Calahasen, Pearl
Doerksen, Victor
Forsyth, Heather
Fritz, Yvonne
Graham, Marlene

Hancock, Dave
Kryczka, Karen
Leibovici, Karen
Massey, Don
McClellan, Shirley
Melchin, Greg
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Sloan, Linda
Soetaert, Colleen
Stelmach, Ed
Stevens, Ron
Tarchuk, Janis
Woloshyn, Stan
Zwozdesky, Gene

THE CHAIRMAN: I now call subcommittee B to order. The item we have before us is the estimates of the Department of International and Intergovernmental Relations. I call upon the hon. minister to make a few comments.

MRS. McCLELLAN: Thank you very much, Mr. Chairman. I'm pleased to be here this evening to present the estimates of International and Intergovernmental Relations. My intention is to give a brief overview and leave as much time as possible for debate.

The business plan and the budget for the department I think are clearly laid out in the documents that have been provided. I know that my colleagues are certainly familiar with them, and I'm sure the members of the opposition have had time to review them, so I'm not going to spend a lot of time on those.

I will mention briefly our three goals. Goal 1 is "to secure benefits for Alberta from strengthened international relations," goal 2 is "to secure benefits for Alberta as an equal partner in a revitalized, united Canada," and goal 3 is "to support Aboriginal people and governments in achieving self-reliance and enhanced well-being."

The key initiatives for the year ahead. Certainly our ministry will aggressively defend and promote Alberta's interests in our dealings with the federal government. We'll also focus on implementing our framework for international strategies, expanding trade, and strengthening relations between government and aboriginal people.

One of the things I wanted to take a minute to talk about tonight was managing federal/provincial relations, an area we have been discussing over the last few days in one way or another. One of the very important roles of this ministry is to manage and co-ordinate the relationships and relations between Alberta and the government of Canada to ensure that Alberta's provincial interests are addressed. Our responsibilities flow directly from the very federal nature of Canada. The Constitution assigns certain responsibilities to the federal government and certain responsibilities to the provinces. In my view, we need to pay a little attention to this because the federal system is not working or functioning as well as it should.

At a very recent conference on federalism, where I think 600 delegates from many countries in the world were attending, the Prime Minister referred to the diversity and the complexity of Canada, and he stated that within our federal system the idea of partnership is central to the federal government's approach to governing. However, recent actions by the federal government were inconsistent with this principle, and I'll just give you a couple of examples.

One was the unilateral announcement of a major initiative on homelessness. While the initiative is welcomed in this province because it is a serious concern, the concern is in the lack of provin-

cial consultation even though the provinces are basically responsible for the delivery of programs. Even today, nearly three months later, we have no idea how this program will work. We don't know if the money is going to flow to municipalities or to individuals or how we can best integrate the federal initiative with Alberta's existing social policies and programs. This is not partnership nor is it an effective way to meet the needs of the homeless. All members in this Assembly know that there are a number of groups, particularly in our two major centres of Edmonton and Calgary, that are working very hard to address this issue, and I think we need a more effective way to partner with our federal government.

The latest example was just a few days ago when Ottawa struck a special deal with Manitoba and Saskatchewan, giving those two provinces an additional \$240 million in federal aid. Ottawa did not provide support for Alberta farmers or other Canadian farmers. Despite Alberta's ongoing participation in multilateral discussions, we ended up with a bilateral deal. This clearly is not acceptable. All this time Alberta has been at the table working co-operatively for a national farm income assistance solution, and this was disregarded.

Federal agricultural policy must begin to meet the needs of Alberta producers. We need to change some federal policies to encourage value-added exports that will maximize producer returns in a global, competitive market. I'll be working with the minister of agriculture and my cabinet colleagues to promote longer term solutions to the problems faced by Alberta farmers.

More recently and maybe more of a disappointment, the federal government in yesterday's budget did not respond to the Premiers' unanimous call to restore funding to the Canada health and social transfer. Over the past six years the federal government has cut more than \$20 billion from health and social programs. Every year Albertans and other Canadians send more money to Ottawa than it needs to run its own programs. That's why the federal government is able to project surpluses in excess of a hundred billion dollars, yet the federal government has ignored a unanimous call to place health and social funding on a sustainable basis. Instead, it has added \$500 million a year to funding for the CHST in each of the next four years. Alberta's share will be about \$50 million a year, enough to operate our health system for about three days. [interjection]

THE CHAIRMAN: Hon. member, there's going to be lots of opportunity for you to ask all the questions you want rather than asking them now, when we then can't hear the minister speak.

MRS. McCLELLAN: We need co-operation and we need partnership in this important area. It's important to all Albertans, to all Canadians. This is not a partisan issue, and we must work together to look for solutions. Solutions are not comments that are attributed to a federal aide in saying that Alberta was wrong to provide extra support to health care in Calgary. This is not a positive action. What it really displays is how little they know about the growth in

the city of Calgary over the past years and the stresses that have been put on the system there. It's really not up to federal government aides some 2,000 miles away to pass judgment on Alberta and Calgary's health policy. This is not partnership.

Asking the federal government for more money every year to address our increasing costs is also not the answer. We need to address the fundamental problem, the imbalance between provincial program responsibilities and federal financial resources. Provinces must have sustainable, long-term funding to meet their social responsibility. There is a need for sharing, co-operation, and fair play to meet the needs of Canadians. Over the next year my ministry will work with other ministries and I hope with all members in this Assembly to address these and other important federal/provincial issues.

We'll ensure that Alberta employs a consistent and co-ordinated approach to federal relations, including Alberta's participation in key intergovernmental forums like the annual Premiers' Conference and the Western Premiers' Conference.

I want to mention one other initiative, and that is the framework for Alberta's international strategies. The renaming of this ministry to International and Intergovernmental Relations reflects the government's intention to place a higher and greater emphasis on Alberta's international activities. We've just completed the development of a new framework for international strategies, which was tabled in the House I believe a week ago yesterday. It identifies three core businesses for Alberta and the international sphere. One is "building international relations," two is "removing trade and investment barriers", and three is "marketing trade, tourism, and investment."

This framework was developed to help guide the Alberta government's international policies and activities and to act as a foundation for new international strategies like the international marketing strategy, the twinning review, and the international education strategies. It's important for us as a province to think internationally when we're developing our policies and our business practices. This applies as much to government departments and businesses as it does to schools, organizations, and citizens.

We have been a very active international player for three decades. International missions strengthen Alberta's relations with other countries and help Alberta businesses profile their goods and services. Our consulting advice to foreign governments ranging from Russia and China to South Africa and Mexico helps improve their systems of government.

Twinning or special relationships between Alberta and other jurisdictions help the province to move beyond cultural and business barriers. This year marks the 20th anniversary of the twinning with Hokkaido in Japan. Our involvement in various international exchanges and initiatives, from the World Petroleum Congress to the 2001 World Championships in Athletics, are incredibly important to this province.

8:11

We will be working hard over the next year to expand trade. We'll work very closely with the federal government to ensure that Alberta's positions are reflected in trade policy negotiations. Trade and investment are very important to Alberta's economy. It's something we don't think about a lot, but one-third of our economic activity is linked to international markets, and one in three Albertans earns a living from international trade.

Since the introduction of the free trade agreement the value of Alberta's exports to the United States has more than tripled, growing from \$9 billion to over \$29 billion. Total Alberta exports to the world have almost tripled, from \$13 billion to more than \$34.5

billion. We are currently Canada's third largest exporter, only behind Ontario and Quebec and ahead of British Columbia. I think that is very significant for a province that is virtually landlocked, and you would consider that export might have just a bit more challenge from this position.

In international trade missions we're seeking increased access for our manufactured goods and services, particularly in the agricultural sector. International trade rules like those being discussed right now at the World Trade Organization are key to securing better conditions for our agricultural producers. I want to tell the members that even though the world trade talks in Seattle didn't result in a new round of negotiations, negotiations on agriculture and trade started again this month. Countries will be submitting proposals by September.

This year I take on the role of co-chair of the committee on internal trade. This is Canada's national body of ministers responsible for internal trade, and as provincial co-chair I will certainly press for new negotiations to remove additional interprovincial barriers to trade.

The other priority we have is with the aboriginal people, and at this time I would ask my colleague the hon. Associate Minister of Aboriginal Affairs if she would like to make a few comments.

MS CALAHASEN: Thank you very much, Madam Minister. As Associate Minister of Aboriginal Affairs one of my primary responsibilities is to be able to do one very important initiative within International and Intergovernmental Relations, and that's to do with the document that I have taken out on the road called Strengthening Relationships: The Government of Alberta's Proposed Aboriginal Policy Framework. Last fall we released a draft of the proposed aboriginal policy framework, and of course this was followed by a public consultation process around our framework document, which concluded at the end of January. We held over 50 meetings on the framework, with over 1,200 aboriginal and nonaboriginal Albertans attending, from First Nations, Métis, industry, and other interested bodies. In addition, we received 42 written submissions on the framework. Based on the feedback and the input we've received, the framework is being revised, and we will then validate this revision with our stakeholders at which time we will compile all the information again to ensure that what we heard is correct and what we heard will be reflective of the changes that we will have written and submitted to cabinet.

I don't think I have to go through the three goals of the framework. I've said that many times here, and I know that my critic out there knows the goals of the policy framework, so I don't think I need to reiterate those. However, I think it's really important for us to be able to know what it is we're trying to do. It's an exciting opportunity to build stronger relationships between the Alberta government and the aboriginal people in Alberta.

Of course, we have to do a number of things, Mr. Chairman. We have to put in place the necessary staff to implement this framework, and that additional staff will be allocated to Aboriginal Affairs to ensure that we are able to follow through on the various commitments to have action within the framework, because this framework is a cross-government initiative. This cross-government initiative certainly takes on a lot of different areas that need to be addressed. Of course, we'll have to make sure, whenever we're finished the consultation or rewriting, that it'll be reflected in everything we do in all government departments. So, Mr. Chairman, it's really an important part in terms of making sure that whatever we do, we do the right thing with this framework.

Another area of responsibility that I have, of course, is the Métis settlements. The continuation of funding to the Métis settlements is

of primary concern and something that I think the Métis settlements want to see continue. We're certainly very pleased, along with the Minister of International and Intergovernmental Relations, that we will continue to do that. I know that's something that needs to be continued in order for us to be able to ensure that the Métis settlements work on their legislation as well as continue their self-reliance perspective.

Another area, of course, is land claims. Land claims is an ongoing area where we want to ensure that whatever we do, we settle any of the outstanding land claims. We have people working on these, and as we complete the negotiations, we will then take them forward.

At this point I'd like to say that we are working on a lot of initiatives with aboriginal people. I'm very pleased to be a part of a government that has worked with aboriginal people in the way we have and to be able to ensure that whatever we do is going to continue to work towards self-reliance initiatives that will help the aboriginal community be able to get to their goals, which are self-sufficiency and self-reliance.

Thank you.

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

MS CARLSON: Thank you, Mr. Chairman. I'm happy to speak to the budget of International and Intergovernmental Relations this evening. First of all, I would like to congratulate the staff of the department for the work they do. Certainly having worked with them on PNWER, the Pacific Northwest Economic Region all-party committee that works to facilitate north/south trade, I have seen people within the department work very hard and very diligently over a number of years now, and I think they do an excellent job there. In fact, it's such a good example of how an all-party committee can work effectively that I'm very surprised that this government doesn't undertake to apply that same model in other areas within this department and in fact within all departments, because I think it definitely facilitates a better understanding of what's going on in the province for all the people of the province and is one of the most effective ways of governing. So I would like to give a bouquet to the staff within the department.

My concerns with the department really have nothing to do with them. It certainly has to do with the mandate that they are given by this government and the mandate that this government continues to operate under, of which we had an example this evening in the first 10 minutes of the minister speaking, about fed bashing. I know, Mr. Chairman, that it's much easier to bash the feds than it is to actually directly address the issues that are outstanding in the province that they are responsible for. So before I get to my specific questions that I came with this evening, let's address a few of those issues. [interjection] I don't see how the minister could be hurt by this, Mr. Chairman. For maybe 11 minutes, not 10 minutes, she stood up here and bashed the feds on their lack of performance as opposed to talking about what they were doing.

In fact, it was interesting that her opening comments talked about defending Alberta's interests instead of promoting the mandate that is written down in their business plan, which is "advancing Alberta's interests." Two completely different perspectives that bring us to two completely different results in terms of benefits for the people of Alberta. I would suggest that going to the table in an effort to work out issues in a co-operative fashion is much more effective than being defensive and confrontational, which is the position we have seen not just the minister but the Premier take on numerous occasions and at the end of the day coming away with very little as a result of that.

Let's talk about two of those issues that she talked about, and

those were health care and homelessness. In terms of the feds not anticipating the growth in the city of Calgary and they should have had a plan in place: well, whose problem is that first, Mr. Chairman? I would suggest that it is this department's problem first. They are closest to the issue. In fact, with so many members from the city of Calgary reporting to this ministry and to other ministries, certainly they should have been able to project the growth in the city of Calgary. They should have responsibly been putting a plan in place well ahead of the growth becoming a huge issue in health care and homelessness, as it has, and should have been lobbying the federal government many years ago in anticipation of the kind of growth rates if they felt that was where the money should come from. Not this after-the-fact kind of seat-of-the-pants planning that is effective for nobody, particularly those people requiring either health care or, in fact, homes to live in in a province where temperatures often fall below 30 below zero. So let's address the problem where it starts, and that's here in her backyard, not 2,000 kilometres away.

8:21

I know she also talked about agriculture. That's very interesting. We've seen that debate happen here in the Legislature so far this week, where now we hear the minister talking about unfair treatment by the federal government favouring Manitoba and Saskatchewan, when she knows very well that her own Premier refused to go to the table and talk to the Prime Minister about this very important issue for people in the agriculture sector in this province.

Then she goes on to talk about how value-added exports are the areas for growth in agriculture in this province. Yes, definitely, value-added exports are very important, but they are only one part of the total picture, the total problem we're facing in agriculture in this province right now, and this minister, who is responsible for overseeing the kind of development that happens in an integrated fashion across ministries, is refusing tonight to stand up and speak about what their government's role is going to be in ensuring that family farms are safe and secure in this province, that they have a viable future in this province. She talks about value-added exports only and about the lack of a federal response, when her own Premier will not go to the table and negotiate with the Prime Minister on essentially a very important issue.

He wasn't at the meetings, Mr. Chairman. That's well documented. It's not good enough to have the minister of agriculture there. We needed a contingency. We needed the Premier there. We needed this minister there.

MRS. SLOAN: He went to Spain.

MS CARLSON: He went to Spain. Well, we know where his priorities are, Mr. Chairman. They're not with the farmers of this province, and that's too bad.

Those farmers know this. They understand this. I have been at several meetings in the past couple of weeks talking to people from rural communities who are very upset at the lack of support they are getting from this government in this regard. It starts in this department and it starts with the Premier, and they're not doing their job.

Then the minister talked about the recent actions of the feds on their initiative on homelessness and why they don't feel like they're a partner in that process. Well, I would suggest to the minister that if she doesn't know how the program works, then she should be letting us know what she's doing to become a part of the process, and she should remember that she has a responsibility to the homeless in this province. Maybe the homeless don't vote, Mr. Chairman, but they are still people in this province who need to be represented and taken care of to the best of our abilities. This government will do well to remember that, because there are a lot of

people who do vote who are watching that and who are seeing their consistent underperformance in that particular area.

Mr. Chairman, in the fall session we heard this minister talk about some negative reactions she had and I assume her government had to the World Trade Organization. I didn't hear her say anything in her opening comments this evening on the government's position in terms of what they're going to do there, so I would like her to highlight that, if she could. It would be important, I think, for us to know what's happening in the future in that particular area.

We've seen a change here in this budget in the direction of this ministry. It went through massive downsizing in the years since 1993, and now we see some significant cost increases being projected for the next year. In the area of international relations it looks to me like the increase is 69 percent, nearly 70 percent. We would like some specifics in terms of how those dollars are going to be spent. And why such a drastic increase? Such a drastic increase to me indicates underperformance in other years or a complete revision of the kind of policy they've been bringing forward. We would like to know which one of those situations is accurate and why she feels there's such a change required there.

In part in that are the full-time equivalent employment positions. Now, we know there's been a bit of a reshuffling within the department in terms of staffing in the recent past and they are projecting to go from 89 full-time equivalents to 100. What we'd like to know: of those budgetary increases, how much of that is going to go to staffing and how much of that is going to go to other costs, particularly travel costs? So if she could break down those costs in as detailed a fashion as possible, we would appreciate it.

We're also seeing a significant cost increase in the areas of trade policy, a 41.3 percent increase there, and that follows of course the announcement this government has made that they're going to be opening some trade offices. We know from past scrutiny that those offices have been primarily staffed by political appointments.

MRS. McCLELLAN: Wrong portfolio. They're not in mine.

MS CARLSON: They're not? Trade offices aren't in your portfolio? Okay.

Then can you give us details? [interjection] However, this ministry is advising in that area. We do know that. And part of those dollars is in the trade policy, so they must have been advising in terms of reopening those trade offices, and we want those details, thank you very much, Mr. Minister.

There's a lot of information that this department is passing on to the other department about those offices that we think government should . . . [interjection] I'm not saying that that isn't the right way for the department to operate. I'm saying that we want the detail. That's what I've asked for. It's a policy decision to reopen those offices and to staff them, and we want to know that Albertans are going to be getting their money's worth, because in fact there is a firm belief not just by us but by many Albertans that the people did not get their money's worth in years past. So what's changed? If we could have that information, we'd like to know.

We would assume that as a part of that process, as a part of this ministry's advising the department in that regard, they've done some long-term follow-up in terms of what worked and what didn't work in the past and in terms of projections for the future. I'm talking more than three-year business plans. I'm talking about: what are the expected gains in the five- to ten-year forecast? Because certainly businesses doing strategic planning would be looking at least that far ahead in the future, we would expect that with the kind of dollars this government is dedicating, they would be doing the same thing, Mr. Chairman.

Also, what kind of analysis has been done of the past missions that this ministry has been involved in? They list here as one of their strategies to "promote the Alberta Advantage to foreign governmental decision-makers by planning missions abroad," et cetera, et cetera. There have been lots of missions in the past. What kind of continuous follow-up is done for the past one, two, three, four, five years to see the net impact of those missions in the past on our economics and on our trade development now in the future? Definitely you would expect that some deals are signed on the spot when they go on these missions but certainly not all of them, I'm sure, Mr. Chairman.

We would expect that that seeding done then would produce some tangible results in the future. Well, we expect that also to be tracked because that would be responsible. The results of that tracking is what we're asking for in as much detail as the department has so that we can also look to measure and evaluate the effectiveness of these past missions. Then based on that tracking, we can project whether or not the reasons this minister is giving for more dollars and more trade offices is going to be justified. What's the cost/benefit trade-off there? If she could address that for me, I would certainly appreciate it.

8:31

The minister talked a little bit about working to improve the regulations between provincial borders, and that's very important. Every year in this department the minister says they're going to do that. We haven't seen the results, Mr. Chairman. There may be lots of results. However, it is still the number one concern I hear from businesses doing business within the boundaries of Canadian borders that it is still easier for them to send their goods south, stateside, than it is to B.C., Saskatchewan, or the other provinces.

We would like some detail in terms of the past couple of years as to how effective they've been in reducing the regulations – you must have a list; we'd just like a copy of the list – and also your top priorities for the next budget year in trying to address those issues. Certainly it's as significant to people who have businesses in this province as international trade is, and I think it certainly should be given a high priority to try and resolve those issues. We'd like to know what it is they're doing there and what the key areas are that they will be addressing.

The funding for international relations is so significant, being at nearly 70 percent, there must be new initiatives being undertaken there. If we could have a list of what those are, that would be very important to us.

I have some questions on NAFTA. It's interesting that we don't see anything addressed here in terms of opening comments. I couldn't specifically find it in the business plans. If it's here, perhaps the minister could direct me to the page it is on. I think there are a number of huge concerns outstanding right now with regard to NAFTA and the potential for private clinics in health care in this province. I'm sure this ministry is advising the minister of health and the Premier in terms of the impact on that. We think there may be some legal opinions on that, Mr. Chairman, and we would like to know what opinions you've received, what are outstanding, and how much money you've paid in that regard, if this is the department that pays for those opinions. Who initiates that process? So if the minister could give us some information on the policy on privatization and on the NAFTA implications with regard to health care.

I'm sure this ministry has been advising the Premier and the health ministry on how allowing private clinics or private hospitals in this province will impact the delivery of public health care. The Premier seems to be so convinced it will have no impact that I'm sure they're

getting some very top-notch advice from this department. We would like to know what that advice is. If there are documents with regard to legal opinions, I would ask that they be listed and in fact tabled in the House.

I asked the minister for her opinion on what's happening with this government's relationship with the World Trade Organization. In addition to that, a complete update on what's happening there would be important for us, particularly as it's on the table for discussion again. If you could give us some information on that, that also would be important for us to have some information on.

When I look through these performance measures, we see that client satisfaction surveys are, as I understand it, interdepartmental surveys. If the information that I'm sure the minister will send to us in writing would include one of those surveys so we can see what the questions are and how they're filled out, that would be important to us.

The intermediate outcomes and the secondary indicators are the measures, but the way they're reported within the business plan seems a little vague. We would like some more information on these if possible and why they don't measure the long-term outcomes as well. Certainly there are projections that you can be doing there. I would have thought you'd have been running a long-term plan in addition to the three-year rolling plans. That would seem to make good strategic sense. Let's get some information on that.

Are you meeting your outcomes that you looked at more than five years ago? When I do a comparison between the years, it seems there is a bit of a deficiency there. Some of it may be due to the rejuggling we've seen over the years in terms of this department, but let's find out about it and put it on the table for dispute or discussion, as the case may be. It isn't just good enough to do the intermediary or the short-term outcomes. In fact, they're practically useless without fitting into a long-term strategic plan, and that's what we've seen has been the primary absence in planning by this government: the long-term strategic plan.

It's not good enough for this government just to think from election to election, Mr. Chairman, because the people of the province are going to be here regardless of whether we hold these seats or not. We have a commitment to the long-term viability of this province in all regards. This particular ministry plays an integral part in that delivery of long-term outcomes because they act as advisers to all the departments and are very close to the Premier on the issues of importance. So we particularly would like their core business services provided to be expanded to include that particular area that is now not apparent.

Thank you.

MRS. McCLELLAN: I'm going to try and give a few answers, because I am kind of shocked at some of the lack of understanding that this member, who has been in this Legislature for a while, has on some of the issues. I'm not being nasty. I am surprised, and it tells me that we're not doing a very good job of disseminating the information we have to that hon. member, particularly when a week ago yesterday Alberta's international strategic plan was tabled. The international marketing strategy from the Minister of Economic Development has been tabled. This is a long-term strategic plan. If you don't have a copy, I would be most pleased to ensure that you do have one.

MRS. SLOAN: Tell us why the Premier didn't hold a meeting.

MRS. McCLELLAN: Edmonton-Riverview, you know, I don't want to be rude, but you will get a turn. [interjections] Very annoying.

I'm kind of working backwards. Performance measures. One of

the difficulties with performance measures, Mr. Chairman, is that many of the initiatives of this department, particularly in international strategies and on interprovincial and intergovernmental work, are long term, so the measurements we have do recognize that. On the short term, one of the ways we do have of addressing these is by surveys and polling, and I would be happy to pass on to the hon. member any information we have on those.

I also was surprised that she missed the comments on NAFTA. I did raise it. I gave the figures on NAFTA as to the Alberta experience. I tabled in the House the NAFTA carve-out on health. It is the government of Canada that negotiated that position, and the government of Canada is confident that the protection we have in NAFTA for the health sector is there. If they have an issue with that and want to raise that, they should raise it, should absolutely raise it with the Minister of Health and the minister of international relations, who is Mr. Pettigrew. In my discussions with Mr. Pettigrew on this area when we were in Seattle, he is completely confident that the government of Canada has negotiated a position there that completely protects our health industry. [interjections]

Mr. Chairman, it is difficult to overcome not only the noise but some of the lack of knowledge. The hon. Member for Edmonton-Riverview just should know that it is the government of Canada's responsibility to negotiate those agreements, and we participate, as do all other provinces, in the development of the position. We'll work on a little education.

8:41

THE CHAIRMAN: The chairman would like to apologize to the subcommittee in that he should have made certain that each side honoured the other side in that when a member is standing and speaking, we don't heckle, that we allow them to get out their questions or get out their answers. So if we could respect that on both sides of the House, I think it would be helpful for the rest of the evening.

In continuance, hon. minister.

MRS. McCLELLAN: Mr. Chairman, I know that some of these strike a chord, but some of them are pretty important.

International missions and the follow-up. I would be happy to pass on to the hon. member in writing some detail on how the follow-up is carried out. Certainly this department is involved in Team Canada missions, in the Premier's participation in those, and in co-ordination of all international travel done from this province.

On trade policy, our relationship with trade offices. Yes, in keeping with the framework for international strategies, we have consulted on where the best strategic placements of trade offices are in the world.

WTO. I mentioned that the position Alberta has on WTO is the position of the government of Canada. We do have a difficulty with the protection of the supply-managed industry and state trading agencies. It's difficult to ask others to open their doors when we close ours. However, we have said that we will work with the government of Canada on that position as long as it doesn't jeopardize the producers and manufacturers in this province in accessing markets. I did say on the WTO that although it was unsuccessful in Seattle, negotiations have begun again. Talks have resumed, and submissions are to be in by September in those areas. We will continue to advance Alberta's position.

We have a social union framework, and I think the hon. member knows that. The agreement for the social union framework was signed by the federal government and all provinces and territories with the exception of the province of Quebec. It is a matter of faith that social programs are dealt with within that framework, and that

is all we are asking for. The initiative on the homeless certainly is lacking in the spirit of the social union framework. I remind hon. members that this was signed by all levels of government, and in fact the Premier signed it with the Prime Minister at his invitation. These frameworks are serious. We take them seriously. We expect that any initiatives we have will be dealt with within that. They're not just something for when it suits you. It should be always. Then we all understand the rules, and that's all we're asking for.

Now, we could talk about agriculture. It does surprise me a little bit. If this hon. member or any other hon. member believes that the answer to the crisis in agriculture today is getting a few hundred million dollars from the feds for a bailout, I can tell you that is not going to solve the long-term problem. We have some things that will solve the long-term problem, and one is a change in domestic marketing. When we have to ship grain out of this province rather than value-added because we cannot sell it outside the Canadian Wheat Board, even on a domestic policy, it is a detriment to our producers in this province. That is one thing that we're asking.

The Canadian Wheat Board does an excellent job of international marketing of grain, and nobody is disputing that, but there is no reason a farmer in this province should have to go through an international marketing agency, which is what this should be, to, for example, value-add durum wheat to pasta. We ship tonnes of durum wheat to North Dakota, and periodically the North Dakota farmers get very upset because there's so much Alberta or western Canadian durum going down there. They forget how many millions and millions of dollars of processed pasta we're buying back. We're buying back a value-added product that should be value-added in this province, and unless we change some rules within Canada, it won't happen and can't happen.

The other thing that has to happen in agriculture is that we have got to change the transportation and marketing system. The Estey/Kroeger report, which was delivered to the federal government some months ago, has got to be implemented or we will continue to have difficulties.

The other side of it that's important is that, yes, we have to fight hard on international subsidies. Today the difference in subsidy level – and I'll just give you Canada, the U.S., and Europe on grain: approximately 9 percent in Canada, approximately 26 percent in the U.S., somewhere between 24 and 26 percent, and over 50 percent subsidy in Europe. I don't care how efficient the farmers are in this country, they cannot compete with that type of subsidy level, and until that is addressed, we are not going to have the answers. So there is no simple answer.

The immediate answer from the Saskatchewan farmers when the aid was delivered was: it isn't enough, and it isn't going to help. No, because it is not going to address the systemic problems that are causing the low commodity prices we face today.

I would challenge anyone in this country in this industry to tell me what the true value of a bushel of any type of grain that's sold on board is today. It is so distorted that I venture no one could tell us what the true value of a bushel of durum is or a bushel of red spring wheat. It is sad that when we are the top producer of red spring wheat in the country and the world, we're getting somewhere around \$2.11 a bushel. For goodness' sake, a loaf of bread costs that much, and six cents of that is the wheat in it. This is shocking.

Instead of playing politics, we should all in this Legislative Assembly be standing up for our farmers, not saying: how many times did your Premier go to Ottawa? Our Premier discussed this issue with the Prime Minister the day before the announcement was made, and he was not aware that Alberta was not involved in this. That's the difficulty we have.

Our minister of agriculture is there today talking about these

issues again. This is the fourth time. Are we making a mistake in dealing with the federal government in what I think is a fair way, in sitting down at the negotiating table and trying to deal with the real issues in agriculture, or should we just be saying: subsidize us further? We're saying that our farmers need some short-term help the same as everyone else. These difficulties don't end because of some imaginary line that is drawn between Saskatchewan and Alberta. In fact, as the minister pointed out, when you look at the transportation costs, there are some 44 points in Alberta that have higher transportation costs than Saskatchewan does.

You talk about transportation. When the first discussions on the Crow benefit were on the table, there was \$8 billion that was available. Saskatchewan and Manitoba refused to discuss it. When the Liberal government took out the Crow benefit, there was \$1.6 billion left. That's what it cost us.

It's time that we paid attention to some of these facts and we stood up for the farmers in this province and dealt with some of those very, very deep issues that are there. Until we do it, asking the federal government for money is not the answer. You can put your head in the sand and your hand out forever, but farmers will not survive on that type of policy. [interjections]

THE CHAIRMAN: Hon. members. Hon. members. Hon. minister, we have a debate going on between the former minister of agriculture and the hon. critic. I wonder if we could contain that until the appropriate time, which is not now.

MRS. McCLELLAN: Mr. Chairman, I'm going to end with this. We have, I think, a good working relationship with our federal intergovernmental minister, the Hon. Stéphane Dion. I have addressed my concerns with him. We have been advancing Alberta's interests in agriculture. They weren't listened to and now, yes, we are defending them, and I will not apologize to anyone for defending the interests of Alberta farmers.

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

8:51

MS OLSEN: Thank you, Mr. Chairman. I guess I just want to reiterate some comments my colleague made before I move into the aboriginal component of this debate. It's unfortunate that the Minister of International and Intergovernmental Relations isn't sure – I think she construes negotiating and being at the table with standing up here and bashing the feds in a deconstructive way. You have to be constructive. You have to be able to go to the table, and you have to be able to negotiate. If you choose not to do that, then you're not going to get to first base, and that's what happened. That's what happened with the agricultural dough. The government didn't go to the table.

They put all their marbles or all their eggs, if you wish, into the Estey/Kroeger report, but that only solves half the problem for half the farmers in this province. It doesn't solve the big picture, because this is a divide and conquer issue. You've got some farmers for whom that might work well, and you've got others for whom it doesn't. So where's the big-picture plan from this government? Where's the larger plan set out so farmers can say: yeah, the government is doing the right thing, and yeah, we're not all going to win, but, you know, we can agree to disagree and come to some form of compromise at some point. We don't see that happening here.

The government doesn't support the Canadian Wheat Board but wants a new transportation system. It's quite incredible how this government continually uses this whole divide and conquer mentality. It's north, south; seniors, the young people; rich, poor. It's

intellects versus those without an education. It's farmers in the north and farmers in the south.

I know that that Minister of Infrastructure over there thinks this is all very funny. I'm sure he does. He thinks this is all very funny by his laughter that he's putting out. But you know what? Albertans don't think it's funny, and they don't think it's the way to govern.

My understanding is that it's four cents the farmers are getting for that loaf of bread. Maybe the minister of laughing over there, the comedian, could help us out.

Anyway, we're going to move on to the aboriginal component of this discussion, and I know the hon. Associate Minister of Aboriginal Affairs is going to be able to answer a number of my questions here. I'm going to start out and refer the minister to – she probably already knows these page numbers – page 204 in the apparent Bold Plans and certainly 292 and 293 in the lottery fund estimates. That's where I'll be drawing most of my questions from.

First of all, I'm wondering why the budget for the Métis Settlements Transition Commission is no longer funded through lotteries and the budget has been cut by 48.3 percent. I'm wondering if the minister could let us know whether or not this is a result of the phasing out of the transition commission. I noticed that one of the strategies is to phase out the transition commission as quickly as possible, so I'm wondering if that's what's happening there.

Also, we noticed that the budget for the Métis Settlements Appeal Tribunal isn't funded through general revenue, at least not in its entirety. So I'm just wondering if you can clarify where the rest of that money is coming from. Last year I think almost half of it was funded through lotteries, and I'm just wondering what kind of shift has occurred there.

Again, we see that the Métis settlements funding is no longer through lotteries and of course it's cut by 8.9 percent. I'm wondering why the cuts there, Madam Minister.

Maybe just to go back to the settlements transition commission, once this is phased out, what are the plans or are there plans to oversee what's going on with the settlements, or is that left to the general council? Maybe you could enlighten us as to what's going to happen there.

We were recently given the aboriginal policy framework, and that framework in my estimation did one thing. It looked like it was going to line up so that the government would be battling with the feds. I hope that's not the case. I hope this minister isn't going to get into that fed bashing, you know, like others. I can tell by the smile on her face that that's not going to happen, but I do need to know why there was such a huge emphasis in that policy framework on reserves when the responsibility that this government has on reserves is so limited. It's to do with the settlement claims and child welfare, if that's not contracted out.

That raised a lot of concern for me, because there are so many other issues that that framework should have encompassed. More focus on the Métis settlements would have been a much more acceptable framework and more focus on the Métis community in general in this province. Clearly that was brought up to me as an issue. I'm hoping that in the minister's reworking of that particular framework, we're going to see that change and we're going to see the focus where it should be, and that's on the issues the minister can deal with. We've talked long about those urban aboriginal issues, and that was not reflected in the original policy framework.

We saw a horrendous report come out from the Associate Minister of Forestry last year. He was tasked with bringing forward a report on aboriginal policing. We didn't see any of that addressed in the overall framework. Now, I understand there are tripartite agreements between Alberta Justice, federal Justice, and Aboriginal Affairs and, of course, the reserves, but we need to see some

movement on those particular issues and concerns. I'm wondering where that's going to be dealt with. I don't see that at all here.

I'm wondering also with the aboriginal policy framework what will guarantee that government policies will be followed or that the policies that are set up and agreed to by the aboriginal community are going to be followed. What monitoring accountability will occur between departments to ensure that the interests of the aboriginal people are met, not the interests of government, but that the interests of the aboriginal people are protected? We need to see that happen. I don't see any of that in the framework, and I hope there's going to be something that's going to be identified.

What methods will the minister and the government use to change policy when it doesn't adhere to the policy framework? What if there's something outside that framework that should be included in the framework? How are you going to negotiate that and build that in? What government measures are being considered to determine aboriginal well-being and self-reliance? In fact, what is this government's definition of self-reliance? That I think is critical to the framework. I see it in the document that I have and in the strategies, but I don't see self-reliance defined anywhere.

I'm wondering how you can expect the aboriginal community to achieve self-reliance if they don't know what the government's definition of that is. That's something that's very important when you're putting out measurements and you're asking people to meet certain criteria and outcomes. I think that's something you can't overlook, and I think it needs some consideration in the overall policy framework.

9:01

I guess I'm going to refer back to the federal government. We've seen over the past, since I was elected in 1997 anyway, a number of issues arise on reserves, and there has been a role for the provincial government. That role is in justice, the role is in education, but we see the government run from those responsibilities. We don't see the government take control and say: "You know what? Those are our responsibilities. They're part of a broader framework that we operate by. They're part of a larger policy discussion that we've had and we implement across the province." We see the government run away from some of these issues, and then jurisdiction becomes a problem and you have divisiveness created. I would like to see the government step up to the plate when it comes to some of these issues and just say: "You know what? The jurisdiction issue isn't going to be a problem here. We're going to take on our responsibility." I'm wondering how that's going to change in the future. I don't see that identified here.

What methodology and sources will be used to acquire, prepare, and distribute aboriginal-specific data, or is it collected? I know from my work in the research unit with the Edmonton Police Service that nobody collects aboriginal-specific data, so how do we measure outcomes? How do we know how much money we're going to need? How do you propose a budget for the Métis community in the settlements when you're looking at other issues that are not on the settlements and not on the reserves? The urban aboriginal issue: how do you determine that? What action plan is there to promote cross-cultural awareness and understanding? You talk about it, but what's the plan? You say you're going to do it. The government identifies it as a need, but we don't see the action plan. Who's going to be the beneficiary of the cross-cultural awareness?

Maybe you could provide some example of how aboriginal communities are being helped to participate in local economic development. What are they doing? What's your role in that particular area? I know there was a great initiative, an initiative that I thought was very worthwhile anyway, out of AI-Pac. It's called

ABCOR, and it's a project where the aboriginal community has developed more of a co-op program where they're going to be taking the lumber off one of the FMAs. They're going to take the trees down there, and that's a great initiative because it's going to bring revenue into some of the communities. That was an industry-generated initiative, and AI-Pac had to go through an awful lot of red tape in order to get the FMA that's going to be logged. In my view, I didn't see an overwhelming support for the initiative. They're going to a lot of work to try and work with some of these communities. What exactly is it that this government is doing that is helping to promote some of this economic development?

How is the success of programs measured within some of the companies you're dealing with? Let's talk about some of the larger industries, the oil and gas industry for instance. How do we know how successful some of their programs are? What is the involvement of the government in promoting aboriginal participation?

How has the department of aboriginal affairs assisted in the negotiation process between the department of family and social services and the First Nations for the provision of child welfare services? A very important issue. My colleague from Edmonton-Riverview will ask some more questions later and has just tremendous insight. It's something the government has not necessarily done a great job of. What measures are used to determine the success rate of these programs or any programs in the aboriginal communities?

What negotiations has the department undertaken to help alleviate the lack of approved adoptions of aboriginal children and of foster homes? I've had aboriginal foster parents in my office who have to fight red tape in order to be foster parents, who have to fight an awful uphill battle, with long investigations that have cost them personally a lot of money in order to clear their name from a specific allegation that the police weren't interested in at all, that was perceived to be a bogus complaint by the police. Child welfare and the police were never, ever interested in the issue that the children at risk response team were, yet the department put up so many roadblocks and very much soured these folks on their ability to foster parent or to want to be foster parents. How was that promoting the whole aboriginal foster parent program? I'm a little bit concerned about some of those initiatives.

What negotiations are being undertaken with the Métis Nation of Alberta to ensure the smooth transition for the next framework agreement? There was an awful lot of trouble signing that last agreement because this government decided they didn't want government-to-government negotiations. They don't see the Métis Nation as a government that oversees the 20,000 Métis people in this province, that delivers services to Métis people in this province, that has a role for Métis people in this province. I've had the discussion with this minister before on that particular issue, and I'm hoping that somewhere along the line this is not going to be a problem in the future and this government is very much going to recognize the role of the Métis Nation in this province.

I'm wondering if the minister can outline which aboriginal groups will be consulted to develop technical guidelines for traditional use studies. You talked about land claims in your opening comments, Madam Minister, but you just said that there were a lot of things happening. Well, a lot of things happening for the budget dollars here doesn't exactly enlighten Albertans as to really what's going on. So I'm hoping you can tell us how many claims are currently being negotiated and how close we are to closing off some of those. Which bands? Are the Lubicons going to be a forever issue, or are we going to get anywhere with that particular settlement?

What do you define as a timely manner? I think that's something this minister uses an awful lot, that things need to be done in a

timely manner. What is a timely manner? If we talk about settling land claims and we look at the Lubicon issue, there's nothing timely about that at all, and we've got some folks out there who want to see some of these claims concluded.

I'd like to know if, or what, MOU has been signed between the Department of International and Intergovernmental Affairs and Justice to ensure that the aboriginal land claims litigation is managed properly. What are the expectations of each department?

I'm wondering if the minister can enlighten us as to what this government is going to do about the whole issue of governance and conflict of interest on the Métis settlements. I can tell you that my office gets calls weekly, and this has not been resolved. It's an issue that's outstanding, I think it's an issue this government has neglected to act on, and I expect to see an end to that very soon.

Thank you, Mr. Chairman.

9:11

MRS. McCLELLAN: I'm just going to deal with two points for the hon. member that fall within my responsibility.

The first thing I'll say, hon. member, is that protecting Alberta's interests is not fed bashing. We are interested in working in a partnership with our federal government. We have a framework to do it. All we ask is that everybody work within the framework.

The second one is on the Lubicon land claim, and I just wanted to bring you up to date on that. The land claim settlements are traditionally negotiated between the federal government and the particular Indian band in question. Alberta is usually invited to the table at some point in the negotiations and discussions over land and, in some cases, dollars.

In the case of the Lubicon claim, the Lubicon band has expressed interest that the negotiations be between them and the federal government. We were recently invited to the table, did begin to participate, and the Lubicon band themselves ceased those tripartite negotiations because they felt there were outstanding issues they had to deal with with the federal government.

So that's the status of that, and if people are calling your office about that, you might suggest they call the federal minister involved in that one. Certainly if you want to pass them on, we'd be happy to give you the updated information that we have on that land claim.

The other land claims I know the associate minister will discuss with you. I know she'll tell you that we have I think a commendable number, 11, that have been settled in the last 10 years, a record that I don't think is matched anywhere in Canada, and she'll probably talk with you about any outstanding ones that are on the table right now.

THE CHAIRMAN: The hon. Associate Minister of Aboriginal Affairs.

MS CALAHASEN: Thank you very much, Mr. Chairman. There are a lot of questions, and I really appreciate the questions you're sending my way because I think it's really important for everybody to understand what Aboriginal Affairs is all about and what International and Intergovernmental Relations has been dealing with regarding aboriginal issues.

First of all, the questions you were asking regarding department programs in terms of the various dollars. You were talking about the lottery dollars. There is no lottery funding approved for this year; you are right in that sense. However, if you look at the operating expenses in program 1, there's been an increase, of course, of \$4 million. If you look at the difference – I think it's program 1, yes – \$1,983,200 for salary increases, \$1.8 million was reallocated from the Métis settlements program to be used. For the \$300,000 for

international governance, \$250,000 for international activities, \$600,000 for aboriginal relations, \$300,000 for Peigan negotiations, and of course the \$300,000 for trade policy activities – that's not within my area, but I think that sort of highlights what it is that you're requesting relative to the changes in the dollars.

Regarding the phasing out of the Métis Settlements Transition Commission, our plan is to ensure that as the transition commission is phased out by 2002, responsibilities presently held by the commission will be devolved to the Métis Settlements General Council and the eight settlements. This is all part of the 17-year transition plan outlined in 1990, when the Métis settlements legislation was passed. You weren't voted into the Legislature at the time, but it certainly was one of the greatest positives that had ever occurred regarding Métis settlements. That was something the Métis settlements negotiated. It was very, very important for us to be able to do that.

The funding to the Métis settlements in accordance with the Métis settlements accord is to decrease each year to the end of the agreement in 2007 as the settlements make the transition to self-reliance. The 48 percent decrease in the transition commission is part of this planned decrease.

The overall funding to settlements, including the commission, decreased by 8 percent this year; it's true. I think when you look at the context of where we came from to where we are and where we want to go, as we start to phase out, it's a very important step to make sure that whatever we do is going to be consistent with what we had intended to do.

There were a number of questions, and some of them I may not be able to answer, but I certainly will write to you relative to the questions. I'll get as many as I can, and whatever I don't get, I will ensure that we do answer them in some format to you.

There were questions relative to framework goal 3. You indicated: why are we looking at the federal responsibility? If you look at goal 3, Strengthening Relationships – and I know you have it – we are talking about clarifying roles and responsibilities. That goal actually is: "the Government of Alberta will . . . clarify its own roles and responsibilities with respect to Aboriginal people." Within that context we also have to realize it's not only the government of Alberta that has to do that. We have to make sure the federal government also clarifies its own roles and responsibilities relative to dealing with aboriginal communities, whether they're First Nations or Métis.

We have to be able to work with the federal government in order for us to be able to continue to do this, but we also have to work with the First Nations and the Métis people to be able to ensure that if we are moving in that direction, each group definitely knows which order of government is responsible for provision of programs and services. That's a very important part, a very, very important part. You've heard it; I've heard it. I think that no matter where we go, that's what the aboriginal community has been saying for many years, and it's time for us to be able to clarify that.

In terms of framework, why did we not focus on Métis settlements? What we were wanting to do was make sure that whatever we were doing in this, we would also deal with all the aboriginal community. You're correct. It deals basically with a lot of emphasis on First Nations. Of course, you and I have discussed this. We will need to make some revisions in this regard, and you have written to me about that. I appreciate that information because that's very important when we're revising this document.

I have also received some very wonderful recommendations from the Métis Nation general council relative to what they would like to see. As you know, this is out for discussion, for consultation. It is to be able to get all the information so that we can make the

necessary revisions in order for us to be able to ensure that whatever we're going to put out is going to be palatable to all Albertans. So it is very, very important to remember that this is a draft document, but I appreciate any input you can give me any time we have any of the documents that are out for discussion.

There were questions on aboriginal policing. You indicated: why was it in the framework? The Minister of Justice is responsible for policing. However, that does not necessarily mean that we cannot be involved in terms of working with the Minister of Justice so that we have our views being recognized and programs and services will have an aboriginal component. That means, then, that we are involved at that point to be able to ensure that whatever comes out is going to be reflective of the aboriginal component. It does not mean that we take on those services or those programs. Our job is to advise and to be able to consult with the various departments so we can ensure that there is an aboriginal component attached to that.

That's very, very important, because we don't have enough people to be able to take on services. We don't have enough people to take on any programs. What we have to do is be able to build a very strong network of aboriginal people. We can ensure that we provide the advice to the various ministries that are within our government, because those ministries are in a better position to be able to deliver those programs and services.

You also indicated: what guarantee will be followed in the accountability of government to the people? Well, when you look at the framework, in every one of the areas where we have the principles and commitments to action, we say: government business planning and reporting. We are making sure that whatever happens, the government of Alberta will recognize its responsibility to report to the public on progress made in achieving governmentwide goals on aboriginal well-being, self-reliance, or any of the goals we have in this document. Very, very important.

[Mrs. Laing in the chair]

When you're talking about a cross-government initiative, it means we now have to be able to report anything that comes through, and we're measured on that also. So it's a very key component of whatever we do if it becomes a cross-government ministry initiative.

9:21

You were asking about what will be used to adhere to building on what we call the aboriginal government definition of self-reliance. Well, self-reliance differs with various groups, and self-reliance in our view is to make sure that whatever happens, we look at the issue of what we have to do to help aboriginal communities be able to at least build on the economic opportunities this province has and that they are part and parcel of that. They have to be part and parcel of the Alberta advantage, and that's what we have to continue to ensure we can do. How we do that will be dependent on the aboriginal communities that are out there, to see how they can achieve that.

There are a variety of ways. You asked a number of questions relative to that, and those are really good questions. I have to give you credit for that, because I think those are exciting questions when you talk about what we can do. There are so many things we can do.

First of all, we have to look at capacity building. How do we build capacity within the aboriginal community so they can begin to take advantage of what we call the Alberta advantage? A number of ways. One is: what can we see in terms of skill development? What educational initiatives or training can we have in place to make sure that occurs? What can we look at within the community itself to be able to see what we need to help them build in their human resources and within the community and be able to access, whether it's jobs or

contracts or any kind of joint ventures they could see happening in the communities? We have a number of those.

Athabasca Tribal Council is one proposal that has worked very, very well. Of course, the federal government has been involved in that one. Industry has been involved, and the provincial government has been involved. As a province I believe we've put in something like \$350,000 already from four different departments who have been involved with ATC. Very exciting times when we're talking about the initiatives and the economic opportunities that are available in that northern part of the province.

The aboriginal community has come forward, taken advantage of that, looked at what the possibilities are, and looked at what they can do in terms of capacity building. I see some great things starting to happen that will continue to happen because they have taken it upon themselves and worked with the community, industry, as well as having the federal government involved in this.

That's partnerships. How do we build on those partnerships? We've got a few other initiatives that I think are really key. We've got one with the chief in northern Alberta regarding the Assumption area and the tribal council there. They have been working with a variety of initiatives, and in one of the areas they have asked industry to be a part as well as for the federal and the provincial governments to come in. We are working with them to see how we can begin to build that capacity so they can also take advantage of what's occurring in that northern part of the province.

We have some in southern Alberta which are really key and, I believe, very positive when we're talking about some of the things that many times we overlook. We have to give credit to the aboriginal community and the First Nations in this respect, to the First Nations Resource Council that has been involved in some of the initiatives that have occurred in the southern part of Alberta. I can get really excited about some of these things, because I see that starting to happen. I know that those are the kinds of areas we want to continue to nurture, some of the areas where we want to ensure that partnerships continue to occur.

How we do that is very, very important. The way we want to do it is by continuing to do it the way we have in the past. Our job is to co-ordinate, to facilitate, to bring it forward, and to be able to ensure that the First Nations and any Métis people can continue to take advantage of this. I get really excited – I know she doesn't want me to get too excited about it – because it is something that I see we can continue to build on.

There were other areas where there were questions. There was a really interesting piece of information, I thought, when we were talking about capacity building. For First Nations to succeed in the development of oil and gas resources on reserves or in any part of the province or anywhere in Canada, it is important that First Nation members possess a qualified knowledge base, whether it's something to do with industry or it's something to do with any of the other types of educational capabilities that are there. I believe that First Nations need to be able to gain that broad knowledge base, and that's where we as aboriginal affairs can certainly help as we're moving forward by ensuring that whatever happens, there can be greater participation by First Nations in a meaningful way in order for them to be able to take advantage of whatever is available on the industry side.

You wanted to talk about the Métis Nation of Alberta and government-to-government negotiations not taking place. Well, the province of Alberta has consistently indicated that for government-to-government negotiations to occur, a government is recognized as having a land base. To have a land base means that we will then deal with you on a government-to-government perspective. That is the way we have dealt with every single group that we are working

with, whether it's a First Nation or the Métis Settlements General Council. Métis settlements are land based. The First Nations are land based. We recognize them as government when we're dealing with them on a government-to-government basis. That's our policy, and it has not changed. We have to be able to work with something that is consistently related to something we have in the province, whether it's municipal districts or whether it's towns or whatever it is. But there has to be a land base attached to it.

Land claims. Another area of interest for me. We have had wonderful success in land claims, and I want to talk about that very, very briefly. Did you know that since 1986 we have had 11 treaty land entitlement claims settled in Alberta? That's an incredible amount. I think we deserve to get applause. Eleven are settled. Four are in negotiations. Five are under federal review. Six have been rejected, and eight are pending. So when you talk about that, my gosh, that is a lot.

Of course, this government of Alberta is committed to fulfilling its NRTA responsibilities through negotiation of settlements that are fair and equitable to all parties and in the best interests of all Albertans. I think we have a solid record for settling outstanding claims, and I'm very proud of the people who have taken control of that and our negotiators and especially the individual who has been responsible for treaty land claims. I'm very, very proud, because I'll tell you that without those guys, we wouldn't be where we are. I think we have a record across Canada when it comes to settling land claims.

In terms of aboriginal population and what information we're going to use, we have to be able to continue to use the census, based on anything to do with Canada's census. You wanted to know what we're going to use for numbers. Those are the kinds of numbers that we will use. Things to do with Canada's census, especially from 1996, are things we'll continue to use.

I know you have a lot of questions. I haven't been able to answer every single one of them, but I will sit down at this time to be able to allow you to ask more questions.

THE DEPUTY CHAIRMAN: Edmonton-Riverview.

MRS. SLOAN: Thank you, Madam Chairman. I have a number of issues to raise relative to this debate, so I will proceed. The first one relates to the matter of what the government's policy is relative to Métis settlements making political contributions when those contributions come from the settlement's bank account, not the individual's bank account. We'd appreciate a written response in regards to that question.

The second issue is federal system reform, and the minister of intergovernmental affairs talked at some length with respect to this and the need for what she perceives as the reform of the federal system. Well, I tend to have a little bit of a humorous and perhaps somewhat bent outlook on this process. I think that the government's plan for reform of the federal system includes the following three players. Firstly, we have Ralph running the provincial 2000 campaign. Alongside him we have the esteemed current Provincial Treasurer vying for the leadership of the CCRAP party, better known as the party that doesn't exist, and thirdly, late-breaking news, Steve West is going to vie for the vacant Senate seat. And reform will be achieved, Madam Chairman. It'll be done. We won't have . . .

9:31

THE DEPUTY CHAIRMAN: Excuse me, hon. member. We do not use individual names in this House. We use their titles, please.

MRS. SLOAN: Thank you, Madam Chairman.

So we have the provincial scene tied up. We get Stockwell on the federal scene and Steve in the Senate . . .

THE DEPUTY CHAIRMAN: Excuse me. I must remind you again. We do not use individual names. Thank you.

MRS. SLOAN: It would be the Provincial Treasurer, and the minister for energy and resources will be in the Senate, and it'll be achieved. There you go.

Let's actually talk about strengthening the federal system and our system of programs for Canadians and Albertans. I wonder, Madam Chairman, how we achieve that strength when we have a provincial government that claws back payments for programs like the children's benefit. We saw, when the federal government instituted that program for vulnerable children in this province, the department of family and social services claw the equal amount of money back from the provincial contributions to those same families. That, in my opinion, does not strengthen. It weakens our province and our families and our children.

Certainly that reality works against the philosophy that was espoused by the minister tonight. I don't know if there is a lot of communication between the ministers. Certainly the past minister of family and social services was the chair for the social unions negotiations, but somehow the right hand didn't know what the left hand was doing, because while they were taking the money from the federal government, the left hand was clawing an equal amount of money back.

I would like to talk about NAFTA, and perhaps for the minister's benefit I'd like to educate her a bit about the history relative to the signing of exemptions for NAFTA. There was a process for provincial governments to identify exemptions in NAFTA, that occurred in the '94-95 period. The Provincial Treasurer at the time, Mr. Jim Dinning – I need to verify that for the record – was in fact in a position to identify exemptions. He was lobbied, and in fact I wrote correspondence to him at that time seeking him to act on the province's behalf and identify exemptions. There was a December 31 deadline. The province abdicated any responsibility. They abdicated taking any initiative to do that.

In reality what happened was that the federal government came in and established the exemptions for social and health care areas. So let's be clear about NAFTA and about the exemptions and about the role this provincial government chose not to play in protecting our core public programs.

Which brings me to the whole component of the report that relates to the WTO and this government's involvement in the WTO negotiations. What is amazing to me – and this is perhaps the biggest deception of all – is that the government has been going along, attending these negotiations. Not only does the mass citizenry know virtually nothing about this. We as elected members in this Assembly know virtually nothing about it.

In the negotiations in Seattle the primary issue that was on the agenda was the expansion of the general agreement on trade and services, or GATS. There were a lot of interests obviously at play in that agenda. A significant player was the American Coalition of Service Industries, and particularly what they were targeting was the service sector, of which health care is a part. The service sector includes everything from telecommunications, transport, distribution, postal services, insurance, construction industry, environment, real estate, as well as tourism, entertainment industries of all sorts.

According to the World Trade Organization, services that fall within the scope of GATS cover no less than 160 separate sectors. Health care is included and in fact, Madam Chairman, is earmarked for commercialization and liberalization. Astonishingly, no public

debate or discussion is going on, nothing mentioned in this report this evening about that fact.

Again, just a bit of history. When the original GATS agreement was signed in 1994, a very similar event took place. It was hurriedly ratified by the member states at the time. Very few of the elected representatives had any idea at all what they were approving. They were not given a list of the sectors affected by GATS, and really probably to this day most of them don't know how significant that agreement was in impacting the core public programs of their country.

So back on point. All affiliated sectors are targeted: hospital care and other services, ambulance services, care for the aged, even social benefits. Let's keep in mind that in this whole trade negotiation it's not about human need or the provision of services that is the primary priority but demand and economies and profit. This is so relevant to the provincial government's fixation and push towards privatization of health care as we are on the eve, at some point perhaps this week, of receiving the legislation which will enable them to establish a private tier.

Further on the WTO. One of the benefits that corporations involved in these negotiations expect to derive from the revision of GATS: number one, they have an interest in not getting a lot of this information public because that torpedoed the MAI. For that reason I think there has been heightened security around the negotiations, and this government has played a willing part. This government is polling, and they make such a big point about it. Public polling data. Well, what are you polling Albertans on? You haven't sent them any material on what's been on the agenda at the WTO. You haven't shared with them what the implications of the social union framework is. How do you expect the public to have an opinion when you haven't educated them about what your positions were, going in, how they were modified, and what the end agreements were?

I, quite frankly, as an elected representative have sat in this Assembly throughout the negotiation of the social union, and there has been diddly shared in this Assembly about what that social union framework entails. So, Madam Chairman, why spend taxpayers' dollars to poll them about issues that the government has done nothing to educate them on. If in fact I have somehow missed receiving it in my mailbox or haven't seen the press release or there's a report out there that I haven't had access to, which may very well be the case, because really a lot of the devil of this is in the details, then I'm hopeful the minister of intergovernmental affairs will be completely transparent and table in her response to these questions all the positions – going in, negotiated, and final – for the social union and all those positions that are being taken at the WTO negotiations.

9:41

Back on WTO and health care. There is a bit of a rock and a hard place scenario that's at work in this whole negotiation process. Governments have placed restrictions on the liberalization of some activities, but this has meant opening them up for liberalization in the long term.

[Mr. Tannas in the chair]

In other words, by seemingly protecting hospitals from corporate encroachment, governments by the same token have in effect issued corporations with a licence to take them over later on.

The WTO Council on Trade in Services has already developed a method to achieve this. Thus, under Article 1.3(c) of GATS, for a service to be considered to be under "government authority" and hence exempt from "liberalization," it is now argued that it "should

be provided entirely free.” However, since most hospitals and clinics now charge patients or their insurance plans for certain treatments, “it seems unrealistic in such cases to argue for continued application of Article 13(c).” In other words, if a treatment is free for the patient, but paid for “by subsidies or other similar forms of financial advantages,” then not only must the sector be opened to competition, but the same “subsidies” should be offered to competing commercial suppliers.

That is the trap this government is leading us into with the privatization policy and impending legislation they’re about to propose.

Let me speak further about the horizontal approach that is also being proposed at the WTO. This means that if a particular measure is agreed to in one service sector, it is automatically applied as well to all others, including health. So, as in the agreement on telecommunications, if we have an agreement in that component of GATS to allow for basically wide open market involvement in telecommunications, the government is forced to apply the same principles in health care. That is absolutely true.

My reference this evening, Mr. Chairman, for citizens who are interested in this process: the article originally was written for *The Ecologist* magazine in Britain. The authors are Bertrand and Kalafatides, who are both quite renowned researchers.

I know it’s troublesome to have this kind of information coming forward, particularly when the government has not taken a leadership role in putting this out for public consumption in the first place. They certainly have had the opportunity.

Another issue in regards to WTO is the regulations.

“The WTO members are being asked to consider making reforms to their regulatory regimes.” National regulations . . . “should have four central attributes,” [they’re being told]: “adequacy, impartiality, least intrusiveness, and transparency.”

Needless to say, the agreement is not demanding that there be the same kind of transparency and openness with respect to corporate practices.

In any event, this government is being asked to modify regulations in this province that are adequate and impartial towards business interests, first and foremost. All the other issues relative to how they apply to the provision of health care, the adequacy of the services are secondary.

Let me conclude on the WTO and the social union by saying, Mr. Chairman, that there needs to be a great deal more information shared by the Alberta government as to what positions they’re taking, what the negotiations entail, and what the product of those negotiations is. I am completely confident that the minister will provide those to us in a written form at the conclusion of these debates.

I would like to also know, in that material, just exactly how much money we’ve spent on polling when it’s clear that the electorate, the citizens of this province have not had a great deal of information about these international negotiations.

When the minister spoke, again in the context of the international trade negotiations, about agriculture and the issues in agriculture, her passion and knowledge were clear to anyone that was listening. I respect her opinions, and I agree that we have huge, huge issues in agriculture to address if we want to preserve the rural way of life, the communities, and have some degree of control as legislators over the corporatization of agriculture. So in that respect, Mr. Chairman, I’m in agreement with the hon. minister, if she can take that bouquet.

I would like to see a greater degree of priority and emphasis placed on ensuring that the interests of Albertans are represented in the trade organizations and particularly as they relate to the service sectors. As well, if we’re preparing submissions for the WTO, the next round of negotiations – and they must be in by September of 2000 – I would ask the minister to make those ingoing positions

public and have them provided perhaps as an appendix to this budget debate response.

Let me move now briefly to aboriginal affairs, the Métis settlements. There has been, particularly in the Métis settlements – and the hon. member from Edmonton-Norwood spoke about that – a decrease relative to the governance of Métis settlements. Now, maybe I’m wrong, but I don’t think we’ve completely achieved a functional governance structure there yet, so I’m wondering why our funding is decreasing.

I want to focus for a few moments on the interests of aboriginal children, both First Nations and Métis, and I would like to know what role the Ministry of Aboriginal Affairs has played with respect to planning in Alberta Health, Children’s Services, and Alberta Learning relative to the needs and interests of aboriginal children. We know that there is a higher percentage of disability in that population that has accompanying needs. We know the birthrate in those populations is also higher than the provincial average. We know infant mortality rates are higher in that population. We know teenage pregnancy rates are higher. So I would like to have the hon. minister provide what role she’s playing in addressing some of those health issues.

Thank you, Mr. Chairman.

MRS. McCLELLAN: I’d just like to deal with a couple of issues. I don’t mean this in any meanspirited way, but when you talk about the discussions with WTO and you talk about not knowing what Canada’s position was or what Alberta’s position was, I’m really surprised, because the government of Canada, who is the negotiator – I want the hon. member to understand this. The government of Alberta does not negotiate at the table at the WTO or at GATT. The government of Alberta does not negotiate at the table. The government of Canada is the negotiator. Yes, we are a part of the team. Yes, we were there. Yes, we supported Canada’s position.

9:51

At the time, Minister Pettigrew sent out an extensive news release on Canada’s position going into the WTO in this round, which was primarily on agriculture because that was the agreement from the Uruguay round. That was the primary subject. The other area was discussion of implementation difficulties for developing countries and moving on into the next round. We were there, and we were full participants. I give Minister Pettigrew full marks. He assured us that we would be fully a part of the consultation, the discussion, and a part of the team. We were briefed in the morning, and we were briefed in the evening, and I did do an interview from there. Both Minister Pettigrew and Minister Vanclief and the government of Alberta did put out a news release talking about what was achieved and what wasn’t at the suspension of those talks.

Now, I have a lot of faith in the government of Canada’s ability to negotiate a position for us in health. The government of Canada has consistently said in NAFTA, in GATT, and in WTO that health and social programs would be protected. Protection is actually there in NAFTA in three parts. Probably the main part is the one that I tabled in the House last week or earlier this week – I don’t recall; I think it was last week – which is the carve-out section.

If the member takes the time to read that and looks at the supporting documentation, she will understand that ownership is not the issue. The issue that is the determinant is if it’s publicly funded and if it’s for the public good. That’s the determinant, and that’s the safeguard. So if it’s publicly funded and it’s for the public good, it doesn’t matter about the actual ownership. That’s proven in the various private clinics that we have today offering insured services, which are not being challenged by any other country coming in and

setting up clinics. We haven't had a challenge in NAFTA over the 10 years of the agreement. That tells me that something is working.

I was dismayed that the hon. member didn't have more confidence in the government of Canada as our negotiator and didn't have the faith that the government of Canada would be looking out for our best interests in those important social programs. I can tell the hon. member – to clarify this, I will be sending the minister tomorrow copies of this so that he can return some comment on it.

Mr. Chairman, this is an important issue for Canadians; it's an important issue for Albertans. It's important that the government of Canada's position on this is understood, that it's understood that Alberta is a part of that team and that we fully support the government of Canada's position on social programs.

The social union framework was signed a year ago this month, and if you haven't got the information yet, you're seriously behind. It's available from my office at any time should a request come in. I believe it's probably available on the Internet. To suggest that I should educate people, how patronizing. How patronizing, Mr. Chairman. The people in this province are intelligent, and when they want information, they ask and they get it. The social union framework is one year old in February.

Agriculture. Yes, Mr. Chairman, I am passionate about it, as are many people on this side of the House. We will continue to press hard in that area to ensure that the interests of Alberta's farmers and agricultural producers are protected and advanced. If we don't make those changes, the industry that has been so important, has really been the backbone of this province's economy, stands to lose a great deal.

Mr. Chairman, we have a number of very good people who are part of the WTO negotiations that are beginning again now. I know that Minister Pettigrew and the other ministers that will be working with him will be very open with the Canadian people on our position in those areas, and we will be very open with the people in this province that we represent as to our participation and as to whether we support all those positions. We have made a commitment to our federal counterparts that we would be a part of the team, that we would be prepared to be a part of the negotiations at all times, and we'll continue that participation.

Mr. Chairman, I believe we've had a lot of information discussed tonight. I've always made a commitment to follow up in writing to members with any detail and questions that we didn't have time to deal with tonight.

I want to just take this time to thank the members from International and Intergovernmental Relations who are in the gallery: our deputy, Ron Hicks, and his staff that are here, Paul Whittaker and Kathryn, and of course Maureen from my office. As was indicated by all members of this House, I think they are good, hardworking staff, always ready to help, and I thank them for being here tonight.

Thank you, Mr. Chairman. I would adjourn debate on these estimates.

THE CHAIRMAN: The hon. Minister of International and Intergovernmental Relations has moved that we adjourn debate on the estimates of her department at this time. All those in support of this motion, please say aye.

SOME HON. MEMBERS: Aye.

THE CHAIRMAN: Those opposed, please say no.

SOME HON. MEMBERS: No.

THE CHAIRMAN: The hon. Government House Leader.

MR. HANCOCK: Thank you, Mr. Chairman. I presume that was carried.

I would move that subcommittee B now report progress to the committee on the estimates of International and Intergovernmental Relations.

THE CHAIRMAN: The hon. Government House Leader has moved that we report the estimates of the Department of International and Intergovernmental Relations to the committee. All those in support of this motion, please say aye.

SOME HON. MEMBERS: Aye.

THE CHAIRMAN: Those opposed, please say no.

SOME HON. MEMBERS: No.

THE CHAIRMAN: Carried.

[The subcommittee adjourned at 10 p.m.]

