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\$105,000 termination deal comes back to haunt Stelmach

Sweetheart contract embarrasses premier who cast himself as a fiscal conservative

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It was like a scene from a bad horror movie where a hand reaches up from the grave to grab the hero's ankle.

Only in this case the hero knew it was coming and had tried for years to keep the body covered.

It surfaced this week thanks to Alberta's privacy commissioner who ordered the government to dig it up and hand it over. That's how we finally got to see the contract that made Murray Smith Alberta's envoy to Washington D.C.

And that's why Premier Ed Stelmach looked like he had seen a ghost.

It was Stelmach who, as minister of intergovernmental affairs back in 2004, had signed the contract. Now, it has come back to haunt him.

For someone who has made a career of being a fiscal conservative, Stelmach is left trying to explain why a contract with his signature on it apparently threw away \$105,000 of taxpayers' money. That's how much money Smith got for quitting his position six months early.

It's a little bit like last week's announcement where the government said it spent \$550,000 not to build an official residence for the lieutenant governor in Edmonton. In Smith's case we spent \$105,000 for him not to be the province's official agent in Washington.

Smith's contract had a "termination allowance" guaranteeing him six months salary even if he was the one doing the terminating.

Consequently, Smith's declaration last summer that he was quitting his job six months early should have come as no surprise, at least not to anyone who knew details of the contract. But not a lot of people knew the details. And the government was not keen to share.

The news media, notably the CBC, had been pushing to see the contract ever since Smith was named to the \$210,000-a-year job in 2004.

The government stubbornly refused to hand it over, forcing reporters to

make applications through the province's labyrinthian freedom-of-information rules. That finally led to an adjudicator with the privacy commissioner's office ordering the government to release the contract.

Explaining this week why he signed the deal was an awkward moment for Stelmach who, when it comes to handling the news media, is the minister of awkward moments.

"I signed the contract as minister then," Stelmach told reporters. "So we negotiated the contract obviously with input from Murray and Murray served a vital role in Washington."

Reporters pressed for answers but got bogged down in a swamp of Stelmachian syntax.

"At that time realizing the kind of pressures that we were experiencing especially the province of Alberta. First of all the opening up an office in Washington, which was absolutely necessary to deal with very critical situations. When you look at Alberta, you know we export 60 per cent of what we produce, 90 per cent of those total exports are over to the United States. That market is very crucial to us and we just saw some of the issues ..."

Stelmach's argument seems to be that the terms of the contract were necessary to attract someone of Smith's calibre to such an important job. That might explain why the job paid \$210,000, came with a car, housing allowance and generous expense account. But it doesn't explain why there was a golden get-out-ofwork-six-months-early clause.

Why not simply pay Smith a higher salary?

To a skeptic, the answer would seem to be the government didn't want the public knowing just how sweet a deal it was. That would explain why the government fought so hard to keep details secret.

The issue is especially awkward for Stelmach because he and Smith are old friends who, as rookie MLAs in 1993, formed the fiscally conservative "Deep Six" club that urged the Klein government to cut back spending.

You could argue that for two-and-a-half years Smith did an admirable job as our agent in Washington, that his experience as former energy minister was invaluable, and you could make a good argument Alberta needs an office in the U.S. capital.

You could also argue the sweetheart deal signed between Smith and Stelmach makes them look like fat-cat hypocrites.

With that in mind reporters are now sniffing around for details of the government's new contract with Smith's replacement in Washington -- former cabinet minister Gary Mar -- to see if there's another skeleton worth digging up.

It would be helpful if Finance Minister Lyle Oberg would lend a hand.

Oberg once infamously said he knew where all the government skeletons were buried -- and consequently got himself tossed out of caucus for four

months.

There's rampant speculation Oberg will announce on Monday he's retiring from politics.

If so, he'd be the ideal person to take on a political grave robbing tour.

Let's go, Lyle. I'll bring the shovel.

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