

Legislative Assembly of Alberta

Title: **Wednesday, April 21, 2004**

1:30 p.m.

Date: 2004/04/21

[The Speaker in the chair]

head: **Prayers**

The Speaker: Good afternoon.

Let us pray. We give thanks for our abundant blessings to our province and ourselves. We ask for guidance and the will to follow it. Amen.

Please be seated.

head: **Introduction of Visitors**

Mr. Shariff: Mr. Speaker, the Royal Canadian Legion's Alberta-Northwest Territories Command takes a keen interest in promoting the value of good citizenship among young people throughout the province. The Legion is in partnership with the Legislative Assembly Office in a program that reflects that good work. It is Mr. Speaker's MLA for a Day. We are very appreciative of both the Legion's financial support and their involvement for this annual event. In your gallery are Lenore Schwabe, command vice-president, and her mother, Mrs. Cecile Boyer, a life-time member of the Royal Canadian Legion. I would now invite our guests to rise and receive the traditional warm welcome of this Assembly.

Mr. Speaker, I am also pleased to introduce to you and to all members the 30 students participating in your MLA for a Day program. Our shadow colleagues are seated in both galleries today. They are accompanied by their Legion chaperones Dutchy Enders and Gord McDonald. I would now ask them to all rise and receive the traditional warm welcome of this Assembly.

head: **Introduction of Guests**

The Speaker: The hon. Solicitor General.

Mrs. Forsyth: Yes. Hi, Mr. Speaker. Thank you. I have two introductions today, actually. First, it is my pleasure and privilege to introduce to you and through you to all the members of the Assembly several valued staff members who are participating in a public service orientation tour today. These staff members are dedicated public servants who provide human resources services to both the Solicitor General's department and the Justice department. Would the following please rise and then we will give them the warm welcome from the Assembly: Alissa Klapstein, Diann Connelly, Claire Paterson, Valarie McLeod, and Cindy Christman. I'll ask everyone to give them the warm welcome.

The Speaker: The hon. Minister of Learning.

Dr. Oberg: Thank you very much, Mr. Speaker. It's my pleasure to introduce to you and through you to all members of the Assembly former Alberta competitors and trainers from the 2003 WorldSkills competition and representatives of Skills Canada Alberta. I would like to introduce Bob Patterson from Drayton Valley, who competed in industrial wiring; Kirk Quast from Bassano, who competed in machining; Kirk's trainer, Mike Desjardins, instructor at the Southern Alberta Institute of Technology; Chad McConnell, trainer for Auto Service World, who is a trainer and was also a team member at the 36th WorldSkills competition in Seoul, South Korea; Guy Brookes, who is a trainer for the plumbing competitor Mark Chupik and is also an instructor at SAIT; Brian Pardell, who is the

executive director of Skills Canada Alberta; Chris Browton, who is a communications co-ordinator for Skills Canada Alberta; and Karen Fetterly, program manager for Alberta Learning.

Mr. Speaker, before I ask everyone to acknowledge them, I will just put a plug in that Calgary has been chosen for a representative for Canada to compete for the 2009 WorldSkills Competition, and we will be putting forward this bid on May 10 in Hong Kong.

I would ask everyone to rise and receive the warm welcome of the Legislative Assembly.

The Speaker: The hon. Member for Little Bow.

Mr. McFarland: Thank you, Mr. Speaker. It's a pleasure today to introduce to you and through you to members of the Assembly a constituent from Coaldale. Mr. Peter King has brought his daughter Christa to be your MLA for the day. Peter has been in Coaldale for seven years, met the Premier a couple of years ago, has a general contracting business, NCA Development, and also operates, along with his wife and three children, Garden Grove Mobile Home Park. I would ask Mr. King in the members' gallery to please rise and receive the warm welcome.

The Speaker: The hon. Member for Calgary-Mountain View.

Mr. Hlady: Thank you, Mr. Speaker. It gives me great pleasure to introduce to you and through you to members of the Assembly an old friend and past president of my constituency association, who is just finishing his articling as a lawyer. His name is Bill Smith, and I'd ask him to please rise and receive the warm welcome of the Assembly.

The Speaker: The hon. Minister of Children's Services.

Ms Evans: Thank you very much, Mr. Speaker. We are honoured today to have in our members' gallery, I believe, 33 visitors from Strathcona Christian Academy. They are attended to by their teacher and group leader Mr. Doug Zook. If they would rise, please, and this House give them the warm welcome that they so richly deserve.

head: **Oral Question Period**

The Speaker: First Official Opposition main question. The hon. Leader of the Official Opposition.

Automobile Insurance Rates

Dr. Taft: Thank you, Mr. Speaker. Albertans can't wait for lower auto insurance rates. While the government continues to fumble this issue, Albertans pay the highest auto insurance premiums in the west. An Alberta Liberal government would have solved this issue by now through our public auto insurance plan. To the Premier: why is the government locking in the highest auto insurance rates in Alberta history for another 15 months while it dithers on auto insurance reform?

Mr. Klein: Well, Mr. Speaker, we are not dithering. You know, it's really time the hon. Leader of the Official Opposition started telling the truth – dithering – and stopped using controversial and confrontational and inflammatory adjectives to describe government programs. Quite simply, our government insurance program is to lower rates – lower rates for young, good male drivers; lower rates for older good male drivers – penalize those who are bad, and reasonably compensate those who are injured in accidents.

Dr. Taft: Well, does the Premier really believe that a 5 per cent rollback will compensate for average rate increases of 59 per cent since March 2002?

Mr. Klein: Mr. Speaker, I'm not going to get into comparing apples and oranges and pears and grapefruits and all of those other things. I will say, however, that this government took very proactive action to address an issue that had been brought to our attention not only by young good drivers who were being severely penalized but by employers, especially small business employers, people who wanted to employ summer students, for instance, but couldn't, if these people were required to drive, because of the high insurance premiums they would have to pay.

So we have done a commendable job on behalf of the people of this province to address an issue. It was us, this government, that addressed the issue, not the opposition. The opposition only picked it up and started to complain and natter about it once we started to deal with the issue.

1:40

The Speaker: The hon. leader.

Dr. Taft: Thank you, Mr. Speaker. Well, if it's not dithering, then will the Premier tell us exactly when the new insurance grid will be implemented in Alberta?

Mr. Klein: Mr. Speaker, obviously, the hon. Leader of the Official Opposition is focusing on media reports that surfaced as a result of the SPC meeting last night.

Relative to the time frame as to when the whole thing unfolds, I'll have the hon. Minister of Finance respond.

Mrs. Nelson: Mr. Speaker, clearly, we've said all along that we would put forward a package that addresses the issues that were raised by Albertans: first of all, having an accessible insurance package, one that's affordable and one that's comparably priced, that meets the needs of Albertans. We will have that package move forward this summer.

The Speaker: Second Official Opposition main question. The hon. Leader of the Official Opposition.

Calgary Courthouse

Dr. Taft: Thank you, Mr. Speaker. Well, it looks like public/private partnerships, or P3s, will work for this government very much like a government credit card: the government will spend now; the taxpayers will pay later. The clearest example of this so far is the Calgary courthouse P3, which was first estimated at costing \$150 million, then \$300 million, and now half a billion dollars. To the Premier: given that the government was so sure that P3s would save money, how could it let the cost of its flagship P3 project spin so far out of control?

Mr. Klein: Mr. Speaker, first of all, this had nothing to do with P3s or any other form of construction. Had the government decided to go on its own on this particular project, the costs would have escalated. We are revisiting the project to bring the costs back in line. Now, if the Liberals, who are complaining now about this project, want to spend \$500 million, well, let them do it. That is their nature – spend more, spend more, spend more – whereas this government will revisit a program, bring it back, scale it back to something that is reasonable, and even at the reduced scope we are

confident we can build an excellent facility that attends to the needs of Calgarians and consolidates the Provincial Court and the Court of Queen's Bench.

Dr. Taft: Well, why is this government even considering providing public financing – a taxpayer loan, for heaven's sake – to its private partners in the Calgary courthouse, as the Premier indicated yesterday?

Mr. Klein: Well, Mr. Speaker, I don't know where the hon. member is getting his information. No decision has been made. We're in the process of evaluating the project. This is so typical – so typical – of the Liberals: if someone was thinking about it or if someone was thinking out loud or someone suggested that that might be approached, then it becomes government policy. You know why? Although it isn't government policy, it makes for a good 15-second sound bite, and that's all they are concerned about.

The Speaker: The hon. leader.

Dr. Taft: Thank you. Well, until this issue is resolved, will the government declare a moratorium on further P3s with for-profit partners, given that they're just a way to spend taxpayers' money?

Mr. Klein: No, Mr. Speaker. We will not abandon the concept of P3s. We will continue to abide by our policy, and that is that if P3s work, if they work over the long term – and you have to understand that we're talking only about the construction costs; we're not talking about the long-term maintenance costs related to keeping up court facilities; we are talking about construction costs only – and in the short term, we will consider a P3 project. If it doesn't make sense, it will be discarded.

The Speaker: Third Official Opposition main question. The hon. Member for Edmonton-Centre.

Government Expense Claims

Ms Blakeman: Thank you, Mr. Speaker. Two months after the Alberta Liberal opposition raised the issue, the government still won't provide details on its spending on wining, dining, and travel. Yesterday the Premier failed to explain why he won't simply photocopy expense claims, receipts, and credit card statements his staff has and show them to Albertans. My questions are to the Premier. Can the Premier explain why he still can't show us the receipts for a \$26,000 trip to India in January, given that the federal government can provide detailed information on all expenses in less than three months?

Mr. Klein: Mr. Speaker, again they allude to the federal government. You know, I've had the opportunity – let's put this in perspective – to be on Team Canada trips. Now, if they want to have this government spend like the federal government, here's an example of the Prime Minister taking the lead car, which is a stretched limousine, arriving in Air Force One or Two – you know, a great big A320 plane done up like a living room – leading a procession, having all the roads blocked off, the Premiers following in vans, the Prime Minister taking a huge, humongous suite. Oh, this is the way that these Liberals are suggesting we should spend. They're saying that we should follow the example of the federal government. Well, that's the way the federal government travels.

Ms Blakeman: Again to the Premier. Why is the Premier making

vague promises about re-evaluating the system when all he needs to do is tell his staff to photocopy a few documents and show them to Albertans?

Mr. Klein: Well, I go back to what I said. I want this hon. member to stand up and say that we should spend like the feds, like their Liberal cousins. I would like this hon. member to say that the Premier should have this huge, humongous A320 done up like a living room. I would like this hon. member to say that I should have a house like 24 Sussex and all the trimmings that go with it. I would like this hon. member to say that the Premier should arrive in a stretched limousine and have all the ministers follow in vans. I would like this hon. member to say that I should have 25 or 30 or 40 security people around me, all at taxpayers' expense.

Mr. Speaker, they want us to spend like their Liberal cousins in Ottawa. Well, we're not about to do that.

The Speaker: The hon. member.

Ms Blakeman: Thank you. All I'm saying, Mr. Premier, is: will you crank up the photocopier and give us copies of your travel and hosting receipts? Come on.

Mr. Klein: Well, Mr. Speaker, again the same answer. They would rather talk about \$25 or \$23.50 items or a \$27 jug of orange juice, which boils down to \$2.70 a glass, than the multi, multi, multimillions of millions of dollars that are being wasted by their Liberal cousins in Ottawa.

The Speaker: The hon. Member for Edmonton-Highlands.

Calgary Courthouse

(continued)

Mr. Mason: Thank you very much, Mr. Speaker. Another week, another cornerstone of government policy crumbles into rubble. The centerpiece of the government's P3 strategy, the Calgary courthouse, has been put on hold after costs soared 66 per cent higher than originally planned. After months of hype about the advantages of P3s the government has finally had to face hard financial reality. My question is to the Premier. Will the Premier admit that the government's P3 policy is in shambles as a result of the Calgary courthouse cost overrun debacle?

Mr. Klein: Mr. Speaker, it is so typical of both the Liberal and the ND opposition to pick out any little thing that is negative about any project. This is a major project; there's no doubt about it. It hasn't been a failure. We have revisited the project. Had the government done it on its own, there was no guarantee that those costs wouldn't have escalated in the same way. As a matter of fact, it's quite common in government circles that if they know that it is completely a government job, the costs go sky-high.

1:50

Well, Mr. Speaker, this person was on city council when the costs of the Edmonton Convention Centre – or maybe he wasn't. I certainly remember reading about them going up and up and up and up and higher and higher and higher, and had he been on council, he would have said: oh, great; spend, spend, spend, spend more. Because that's the attitude.

Mr. Speaker, as I said, the Calgary contract was a good contract, as a matter of fact, and when the Saddledome went \$16 million – we're not talking hundreds of millions of dollars – I put a stop to it.

I put a stop to it. As a matter of fact, I said that if you want more information, here's Tom Chambers' number. He was the minister of public works for the government at that particular time and opened everything up relative to that particular project.

So, Mr. Speaker, when they want to talk about overruns, this hon. member, the ND member, the Member for Edmonton-Highlands, is the king of overruns. But he likes them because that is the way of the NDs.

The Speaker: Hon. member, you rose on a point of order, but I think there was clarification that you were not a member of council at that time. Is that what the point of order is going to be?

Mr. Mason: Well, subsequent things that the Premier has said. We may have a few more by the time my questions are over, Mr. Speaker.

Given that I got involved in politics fighting the Convention Centre and warning of cost overruns, will the Premier admit that he has nothing to teach me about fighting waste in government spending?

Mr. Klein: Mr. Speaker, I have learned more about waste in spending from the Liberals and the NDs in my 15 years in this Legislature than I've ever learned before. All of those lessons have come from the Liberals and the NDs, and that is how to spend, spend, spend, and spend more.

The Speaker: The hon. member.

Mr. Mason: Thank you very much, Mr. Speaker. Given that the courthouse is on hold and, hopefully, will be stopped altogether, will the government consider as an alternative to this project building a new hospital for the city of Calgary without going through the nonsense and expense of a P3?

Mr. Klein: Mr. Speaker, the two projects are separate. I will agree with the hon. member that a new hospital is needed in the southern part of the city. The Calgary health region is now working on a plan, a concept. It is the Calgary health region's request that they proceed via the P3 process. That project will be evaluated, and hopefully it will turn out to be a good project. We are very intent and very committed to going ahead with that project.

I find it interesting, Mr. Speaker, because he said: put a stop to the courthouse. Put a stop. All you have to do is look at the Calgary court situation and you will see a hodgepodge, really, of court facilities throughout the city to the point where the Provincial Court judges especially, who, I understand, adjudicate about 80 per cent of the cases, both criminal and civil and family, are absolutely cramped. It's costing the government, because we have to maintain these facilities, a huge amount of money. So it makes sense to consolidate these activities. Now, if this hon. member wants to go down to Calgary and state publicly that this project should be halted, that there should be no consolidation, I would invite him to do so.

Organ and Tissue Donations

Ms DeLong: Mr. Speaker, April 18 to 25 is National Organ and Tissue Donor Awareness Week, and a number of activities are taking place in Alberta and across Canada to increase our awareness of this important issue. My question is to the Minister of Health and Wellness. What is the government doing to further reduce the number of Albertans waiting to receive organ transplants?

The Speaker: The hon. minister.

Mr. Mar: Thank you very much, Mr. Speaker. It is true that the shortage of organs and tissues for transplantation is a long-standing problem here in the province of Alberta, but it is also a long-standing problem throughout Canada.

Right now, Mr. Speaker, over 400 Albertans are on waiting lists to receive an organ transplant, and unfortunately every year some Albertans do not survive the waiting period for that gift of life. Hundreds more are awaiting tissue that can restore sight, restore mobility, or improve quality of life.

Now, what the Department of Health and Wellness is currently working on, Mr. Speaker, is a comprehensive and co-ordinated provincial system for organ and tissue donation. An improved system to increase donation will decrease the number of Albertans waiting for a transplant and improve the quality of life for those individuals and their families.

We do need to make legislative changes to the Human Tissue Gift Act, that was originally proclaimed some 20 years ago, in 1973. Policies for the new legislation have been drafted, and the process to introduce such legislation will soon be under way.

Finally, Mr. Speaker, my department is working with our tissue programs to improve self-sufficiency in providing tissues for transplantation.

The Speaker: The hon. member.

Ms DeLong: Thank you very much. Just one supplemental. Deciding to become an organ or tissue donor is a very important personal decision, one that can have extraordinary results. What can Albertans do to increase their awareness and help reduce waiting lists so that more people who are ill can receive the gift of life?

Mr. Mar: Mr. Speaker, I will say this about Canadians and I'll say this specifically about Albertans: Albertans are extraordinarily generous individuals. Some 81 per cent of Canadians have indicated their willingness to donate their organs and tissues, but only 65 per cent of Canadians actually advise their families of their wishes. If there is one thing that we could do to help improve the donation rate for tissues and organs, it would be to do as I have done with my own family, and that is to indicate your desire to donate tissues and organs.

Automobile Insurance Rates

(continued)

Mr. MacDonald: Albertans can't wait for lower auto insurance rates. If the government really cared about consumers and not just about the insurance industry, it would table its latest proposals in this Assembly this afternoon. My first question is to the Premier. Given that this government always discriminates against Edmonton, what proof does the government have that new drivers in Edmonton should have an entry-level premium that is \$180 higher than new drivers in Calgary?

Mr. Klein: Mr. Speaker, they're rehashing old, old, old news. The package went to SPC. I would remind the hon. member that we are the government and we are charged by the electorate to develop policy, not the Liberals. The Liberals do not develop policy. We go through the process. We're now in the standing policy committee process of developing that policy and finalizing that policy. There is a procedure that will be followed. It will go to cabinet and then caucus, and we'll make a final decision, and it will be reported.

2:00

Mr. Speaker, as we go through this process, we have to keep in mind what we want to achieve in the end, and what we want to

achieve is commendable. We want to achieve a premium rate for young male drivers, in particular, that is fair. We want to create a premium rate for older male drivers that is fair, and as one of the newspapers reported, rates will generally come down for these drivers. We want to make sure that those who are injured in accidents are fairly compensated, not overcompensated but fairly compensated.

Mr. Speaker, these goals, I believe, are commendable goals and will not only enhance economic opportunities, particularly for those who operate small businesses and need young drivers to drive their vehicles, but it will also benefit the Alberta public at large. I can't understand for the life of me why they are complaining about something that is so good, that is commendable, and something that this government, by the way, saw as a problem and took head-on, addressed the issue, and brought a solution forward or is now bringing solutions forward.

Mr. MacDonald: Again to the Premier: will the proposed auto insurance grid also apply to commercial auto in this province?

Mr. Klein: Mr. Speaker, relative to any details that might or might not come out, I'll have the hon. Minister of Finance respond.

Mrs. Nelson: Mr. Speaker, our focus has been on noncommercial vehicles, and we have been moving forward in that frame. We are not contemplating any further reform at this point until we complete this package. Quite clearly, we have taken a lot of time on this package because we're determined that we will meet the needs of Albertans: one that rewards good drivers, one that penalizes bad drivers, one that takes the discrimination out of the equation and provides affordable, accessible, and comparably priced insurance for all Albertans.

The Speaker: The hon. member.

Mr. MacDonald: Thank you. Again to the premier: given that the freeze has been extended until 2005, is this government just teasing the auto insurance companies and secretly planning to implement public automobile insurance in this province?

Mr. Klein: Mr. Speaker, I don't know if he lies awake thinking about these things or if they come to him as dreams or nightmares and then he gets up in the morning and he says: I think that this is a good question I'm going to ask. I've often said that one of the most difficult things in politics is to provide intelligent answers to stupid questions, and I'm stumped.

The Speaker: The hon. Member for Grande Prairie-Wapiti, followed by the hon. Member for Edmonton-Gold Bar.

Mr. Graydon: Well, I hope I don't fall under that category, Mr. Speaker.

Educational Opportunities in Northern Alberta and B.C.

Mr. Graydon: Earlier this week the Minister of Learning and the B.C. Minister of Advanced Education met with the presidents and board chairs of 16 colleges, institutions, and universities to discuss ways that their ministries can further educational opportunities in the northern areas of the province. My questions today are for the Minister of Learning. What objectives were identified as a result of this meeting, and how can they benefit Alberta's postsecondary students?

The Speaker: The hon. minister.

Dr. Oberg: Thank you very much, Mr. Speaker. As a result of the B.C./Alberta cabinet meeting that took place in the fall, we were tasked by our Premiers to go forward and come up with ways that we can co-operate and collaborate between British Columbia and Alberta. On Monday was the result of that, in which case the Minister of Advanced Education in British Columbia and myself sat down together with some 35 or 40 other presidents and board chairs of the various institutions in northern Alberta and northern B.C.

Mr. Speaker, specifically, one of the issues that was looked at was barriers to mobility between B.C. and Alberta. One of the issues that has come forward is that welders, for example, electricians cannot go back and forth on the border. We have ironed that out. We will have solutions to that coming forward.

Another very important thing took place, Mr. Speaker. When it comes to distance education, what we have in B.C. and Alberta is BCcampus, we have eCampusAlberta, we have Athabasca University, and we have the B.C. Open University. The discussion was tailored around: why on earth should we be duplicating these services when we can actually consolidate them and use them together? Why should one province have a course in English 101 and the other province have a course in English 101, the same courses? So we are looking at how we can do this.

It was an absolutely excellent meeting, and just for the hon. member's information – and I think it will be particularly critical to him – we will be having the next meeting in October in Grande Prairie to continue discussions on this very important topic between B.C. and Alberta.

The Speaker: The hon. member.

Mr. Graydon: Thank you, Mr. Speaker. Well, we've proven that you can get an intelligent answer to an intelligent question.

My first and only supplemental question is again to the Minister of Learning. Can the minister advise what other stakeholders will be involved in achieving these objectives?

Dr. Oberg: Well, Mr. Speaker, there are a lot of other stakeholders that need to be involved. There are the First Nations. There's another very important stakeholder that was not at the meetings, and that's the Northwest Territories. Much of what is going to be happening in the upcoming future is going to be geared towards the Northwest Territories when we start looking at the diamond mines, when we start looking at the potential Mackenzie Valley pipeline coming down the Mackenzie Valley. There's also a huge bridge project that is occurring in the Northwest Territories. Realistically, the training elements of the Northwest Territories are very intimately tied to northern Alberta and northern British Columbia. So the Northwest Territories is one of these groups that has to be involved. The Yukon Territory also has to be involved.

Mr. Speaker, the meeting that we had on Monday is just the start of what I see as a truly great amount of collaboration and co-operation between two and possibly three or four jurisdictions as well as the First Nations. The very interesting part – and I think we can all learn from this in this Assembly – is that we had the Liberal Party from B.C. and the Conservative Party from Alberta sitting together and actually working together for the betterment of the citizenry.

Automobile Insurance Rates

(continued)

Mr. MacDonald: This government was embarrassed when it

released on its web site the new auto insurance grid last year. Alberta drivers checking out the new proposed auto insurance grid found that in most cases the rates went up, not down as promised by this government. My first question is to the Premier. Will the Premier guarantee now, this afternoon, that auto insurance rates for most drivers in this province will go down as a result of this proposed new auto insurance grid?

Mr. Klein: Mr. Speaker, no, nor can he guarantee that rates will go up or down. That is subject to the market, unless of course they have a socialized insurance company that they want to publicly finance out of taxpayers' money to stabilize rates and to make sure that they remain stable.

Mr. Speaker, what I will guarantee is that rates for young good drivers will go down and quite dramatically. I will guarantee that. I will guarantee that rates for older good drivers will go down dramatically. I will say that the rates for bad drivers will not go down. They will go up. If the hon. member is opposed to that, let me know now and state it publicly, because we would like to know where he stands on this issue. Generally – and I can't guarantee it – those in the mid-range, male or female in the mid-range, the people who are not affected because of age or gender, will remain, I would say, ostensibly the same. Our rates will stabilize.

Now, Mr. Speaker, I would point out that I've asked this hon. member before, and I will ask him again. Assuming that he is a good driver, assuming that he doesn't have a lot of traffic tickets, speeding tickets, and hasn't been involved in an accident, I have challenged him to table his insurance rates. I would be glad to table mine. Mine are comparable with what I would pay anywhere in Canada, and I'm sure that his would be comparable too. So to stand up there and try to tell the public that they're paying more is not being honest. It's not being honest at all, and he should be ashamed of himself.

2:10

The Speaker: The hon. member.

Mr. MacDonald: Thank you. Again to the Premier: what specifically are the lower rates? What prices are older drivers with good records going to pay under your proposed scheme? Surely, you know that.

Mr. Klein: Well, Mr. Speaker, the policy hasn't been adopted yet, but certainly a chart has been prepared. It deals with those in the so-called special categories. If one were to look at the charts, one can naturally assume that the rates for good young male drivers will go down and for good older male drivers will go down. So what is happening is good, and it's also good for those that are in the mid-range, whose rates will remain pretty well stable.

But again, Mr. Speaker, I would ask this hon. member to table in this House, because I'm willing to table mine, his insurance bill for the last three years. I would ask him to do that, and we would compare that against the rate that he would be charged in B.C. or Saskatchewan or Manitoba or Newfoundland or anywhere else in this country.

The Speaker: The hon. member.

Mr. MacDonald: Thank you. Again to the Premier: if this proposed chart is as you say it is and it's going to reduce rates for so many drivers, will you put it on the government web site this afternoon so Alberta consumers can check it out for themselves?

Mr. Klein: Mr. Speaker, I'll have the hon. Minister of Finance

respond in detail, but the final policy has not yet been adopted. That is the function and the responsibility of government: to develop policy and bring that into effect.

The hon. member still hasn't answered my question. The question that I pose not directly to him but as a challenge – maybe he won't state it here – is: will he table his insurance premium for his private automobile for the past three years? I'll do the same thing. Will he do that? Maybe he'll answer that question outside.

The Speaker: Very, very briefly, please.

Mrs. Nelson: Mr. Speaker, insofar as the insurance grid going on the web site today, it's amazing how this hon. member can be almost a day late and a dollar short. We put a phantom grid on the web site last year to give Albertans an idea of how a grid would work. It's not been there for quite some time because we've been working on how an actual policy would fit so that Albertans could, once we've completed it, go to the web site directly and figure out where they would fit. That won't go back on our web site until we have completed all of the regulations and the policy direction over this next three months. So the hon. member is going to have to wait until we complete the final process through our policy development. Then he will have the picture on the web site.

The Speaker: The hon. Member for Cardston-Taber-Warner, followed by the hon. Member for Edmonton-Mill Woods.

Occupational Health and Safety Code

Mr. Jacobs: Thank you, Mr. Speaker. Some of my constituents who own medium-sized construction businesses have expressed concerns about the effects of the occupational health and safety code, that was enacted in November of 2003 with a five-month grace period for employers to comply, which ends April 30, 2004. My first question to the Minister of Human Resources and Employment: what changes do employers have to make to their workplaces in order to comply with the new code?

Mr. Dunford: Mr. Speaker, I would think that in most cases there really wouldn't be any change that would be required because, in essence, the code replaced, actually, 11 regulations that were already in place. Clearly, we believe that one code will be easier for all employers and employees to keep track of and keep up to date with than 11 regulations. There were some new industries that have risen that might cause some change. We think of the biohazard industry, and of course robotics are increasing in Alberta.

There is one area, though, that would affect all employers if they haven't done this up to this particular time. All hazards that exist in that particular workplace will have to be put in written form, and of course as common sense would tell you – it's probably already been done – these would have to be shown to the employees.

So given the fact that employers have always been responsible for the safety at their work site and the safety of their workers, I don't think there's any big deal here about assessing the hazard. It just might be putting it in writing that would be the big change.

The Speaker: The hon. member.

Mr. Jacobs: Thank you, Mr. Speaker. Again to the same minister: what education and communication process was adopted to inform employers about the changes to the code?

Mr. Dunford: One of the ways that this government provides

communications for employers and, really, for Albertans generally, of course, is the Queen's Printer. We actually have a best-seller on our hands here, Mr. Speaker. The demand for the printed version of the code has currently outstripped, as I understand it, the ability of the Queen's Printer to keep up with that particular demand.

Now, this can be had for free by going to the Queen's Printer web site and then simply downloading the code that way. In any event, we do have a workplace health and safety call centre, and that would be available. We have a call number, and of course we have the web site, and I won't ad lib any further than that.

The Speaker: The hon. member.

Mr. Jacobs: Thank you, Mr. Speaker. Again to the same minister, a final question: what will happen after April 30 if an occupational health and safety officer finds an employer who is not fully in compliance with the new provisions of the code?

Mr. Dunford: This is an area where we're going to have to be quite vigilant because over time we all are aware that there has been some grinding between some contractors and sometimes our safety inspectors, so we want to make sure that we keep our eye on that particular area.

The kind of information that we as a ministry provide, though, to our people is that we have an education responsibility first. To take a page out of the Premier's book, if I could, within this area we have the five Es, and of course in that case we want to educate and we want to educate and educate and educate some more. Finally, of course, if we are dealing with people who are simply obstinate or recalcitrant, then of course we'll have to enforce.

But when you look at what's actually taking place, the contractors themselves would know of the hazards and should be in a position, then, to be able to correctly identify these hazards and correctly portray that information to their workers.

The Speaker: The hon. Member for Edmonton-Mill Woods, followed by the hon. Member for Edmonton-Strathcona.

Child Care Services

Dr. Massey: Thank you, Mr. Speaker. *Today's Parent* ranks Alberta child care services among the worst in the country with respect to the number of trained staff, wages, and overall quality. The Alberta advantage definitely does not apply to children in daycare. My questions are to the Minister of Children's Services. Can the minister explain why Ontario has 82 per cent of its child care staff with two years of training or higher and this province has only a miserable 43 per cent at the same level?

2:20

Ms Evans: Mr. Speaker, the *Today's Parent* review was done in 1998 from the document *You Bet I Care!* and, following that, from data that was generated at that time. That preceded and predated the efforts that we've made on child care accreditation, which will put us first in the country. It will elevate the quality standards for children in daycare and day homes. It will address the issues of standards and rates of pay. In the last year we have provided dollars through the advance on the accreditation. Eighty per cent of those dollars, by the way, will go towards staffing and giving staff modest increases to get involved with the program.

Mr. Speaker, there was a recognition that in Alberta we wanted to do more to enhance the child care services, and building on that, we wanted to do even more than that. We wanted to improve staff

training and improve the qualifications of people who run daycares and day homes. If you look at Canada and if you look at the United States, there is nobody doing accreditation and improving as fast as we are.

Dr. Massey: This is a survey done this month.

Again to the same minister: why does the government continue to pursue a child care policy that is driving interested students and practising staff out of the profession?

Ms Evans: Well, Mr. Speaker, I don't believe that. I don't believe they're being driven out of the profession whatsoever. We have got enrolments at Grant MacEwan Community College, a lot of work being done on assessments of the effectiveness of that training tool. [interjection] I'm getting a lot of help here.

We are doing a lot with the scholarships for First Nations staff that want to become trained child care professionals, and we are working with the University of Calgary and the sociology department there to improve and enhance training.

I think most of all, Mr. Speaker, the new Alberta response model, which enables the child care delivery system to look at delivery in a new way, not removing children from placements but going into the home and providing support, means that it's not just the social worker that's involved. It is the nurse, it is the psychologist, it is the speech pathologist, and multidisciplinary teams are becoming more commonplace in the administration of child care and child care ancillary work that's being done in Alberta.

The Speaker: The hon. member.

Dr. Massey: Thank you, Mr. Speaker. Again to the same minister: why has the government underfunded our daycare so badly that Alberta now leads the country in staff turnover rates?

Ms Evans: Well, Mr. Speaker, we don't fund the daycares. We fund the parents through a subsidy program, that they can apply for, based on the working salaries they receive. There's a sliding scale right up to and over \$40,000. We subsidize the parents, and it's our premise – and I think it's the best premise of all – that the parent is responsible for the child and that the parent will do the best due diligence in any daycare or day home. They become daily monitors of what happens in those daycares.

We don't subsidize daycares. We subsidize parents who have children who attend daycares, and we subsidize them based on our belief that we should be putting our dollars where those people can less afford to do it. People that earn \$60,000 and \$70,000 can pay their own way. We are subsidizing those people that need the pay and those children that need that support.

The Speaker: The hon. Member for Edmonton-Strathcona, followed by the hon. Member for West Yellowhead.

Automobile Insurance Rates

(continued)

Dr. Pannu: Thank you, Mr. Speaker. Any hope that Albertans might some day have car insurance rates as low as other western provinces was dashed today. Although the Premier once promised that this government's reform package would result in rates as low as in B.C., Saskatchewan, and Manitoba, that promise has mysteriously disappeared from the government rhetoric. Instead, the highest car insurance rates in western Canada are going to be locked in for yet another year or more. To the Premier: when the government

finally gets around to implementing its reform package, will Alberta drivers be paying more than other western Canadians for auto insurance? Yes or no, Mr. Premier?

Mr. Klein: Mr. Speaker, I'll explain it one more time. Our rates will be comparable, but on the good side, on the very positive side the rates for good young male drivers will go down. The rates for good older male drivers will go down. The intention, of course, is to end the discrimination against these people because of age and gender if they are good drivers. Having said that, we will continue to make sure as a matter of policy that the insurance companies have the ability to penalize bad drivers. On average it's proposed that within 5 per cent, give or take, the rates will remain pretty much the same for those in the mid-range.

Notwithstanding what this hon. leader of the third party says, these rates are comparable with rates paid in other jurisdictions. Mr. Speaker, my insurance rate is comparable to what I would pay in Saskatchewan, British Columbia, Manitoba, Ontario. It's comparable. I would be glad to table that, and I'd be glad to table what I would be paying anywhere else.

My insurance rate for PL and PD and collision on a classic car which is insured full-time, which is a 1977 Volkswagen convertible, Mr. Speaker – and because of its age and because it is designated as a classic car, it's valued higher than it normally would be – is around \$770 a year. That includes collision and PL and PD. That, according to the information I've been able to obtain, is very comparable, within a dollar or two, of what I would pay in any other jurisdiction.

I would invite the hon. member, as I invited the hon. Member for Edmonton-Gold Bar, to table, providing he has been a good driver, his insurance rates. I'd be glad to table mine.

The Speaker: The hon. leader.

Dr. Pannu: Thank you, Mr. Speaker. If the government's reform package is so beneficial and so reasonable to drivers, why is the government waiting until after the next election is safely out of the way to implement this glorious new system?

Mr. Klein: Mr. Speaker, nothing could be further from the truth. First of all, they say that it's a lousy plan. Then they say that it's so good that we're waiting until after the election, you know, that we're holding onto it. The truth is that we're in the process now of finalizing that plan. It is going through the political process. It went to SPC last night. It will go to cabinet within a week or so or maybe two weeks, then to caucus if necessary. So I would say that within the next two months or so it will be out, and I can assure the hon. member that an election will not be held within the next two months or so.

Dr. Pannu: My final supplementary to the Premier, Mr. Speaker: given that the Consumers' Association of Canada has found that public insurance provinces are providing dramatically lower insurance rates than Alberta, isn't it time for the Premier to stop protecting his pals in the insurance industry and admit that private insurance is highway robbery?

Mr. Klein: Mr. Speaker, as I said before, I would be more than happy to table the insurance premium that I am paying right now for collision and public liability and property damage. That rate is comparable to the socialist rates charged in Saskatchewan and British Columbia, that are backed by taxpayers' dollars. Comparable.

2:30head: Recognitions

The Speaker: Hon. members, 30 seconds from now I'll call upon the first of seven members to participate.

The hon. Member for Edmonton-Rutherford.

Big Brothers Big Sisters

Mr. McClelland: Thank you, Mr. Speaker. I was going to do a recognition today on the marvellous Mr. Speaker's MLA for a Day, but it's already been done.

I have another that is equally important, and that is that children matched with mentors do better in life because of improved self-esteem, school performance, and communication skills. They're more likely to finish high school and less likely to be involved in criminal activities. That is what Big Brothers Big Sisters of Edmonton area is all about. We can make a big difference in a child's life by supporting Big Brothers Big Sisters. As the leading mentoring agency in North America, they pride themselves on the high quality of service provided to children, families, volunteers, and supporters.

The total number of school-age children and youth in Edmonton and surrounding area is around 200,000. It's generally accepted that about 20 per cent of these young people need extra supports to succeed in school and life. This year approximately 2,000 young people will be helped; by the year 2010, about 5,000.

On behalf of all Albertans we thank those who have contributed and ask others to become so involved. Thank you, Mr. Speaker.

The Speaker: The hon. Member for Calgary-Fort.

National Aboriginal Achievement Award Hon. Pearl Calahasen

Mr. Cao: Thank you, Mr. Speaker. In 1993 the National Aboriginal Achievement Foundation established the national aboriginal achievement awards in conjunction with the United Nations' International Decade of the World's Indigenous Peoples. The awards recognize individuals of First Nations, Inuit, and Métis ancestry who have reached a significant level of achievement in their respective occupations.

Myself and the hon. Member for Calgary-Currie had the great pleasure of attending the national awards ceremony in Calgary at the Southern Alberta Jubilee Auditorium on Sunday, April 4, 2004. Among the honorary recipients is a particular person that I'm going to talk about. This person was born and raised in Grouard, Alberta, and earned a Bachelor of Education from the University of Alberta and a Master of Education from the University of Oregon. So far this person continues championing for aboriginal issues, especially in the areas of education, children, and families.

Mr. Speaker, this outstanding national award winner is no other than our very own colleague the hon. Member for Lesser Slave Lake and the Minister of Aboriginal Affairs and Northern Development. I would like to congratulate her and ask all members to applaud her for this award.

The Speaker: The hon. Member for Edmonton-Meadowlark.

Dianne Greenough

Mr. Maskell: Thank you, Mr. Speaker. It's my pleasure to rise today to recognize a superb teacher, gifted coach, and volunteer extraordinaire, Dianne Greenough.

Dianne is well known for her work in having cheerleading

recognized as an exciting sport in this province and nationally. She's been a teacher/coach at Victoria School of Performing and Visual Arts for 26 years. She is worshipped by her students and is as enthusiastic as the day she first walked into Vic.

Dianne has received many awards for her commitment to cheer-leading, volunteerism, and teaching, including the CFRN Great Albertan award, city of Edmonton salute to excellence, ITV's woman of vision, Alberta's excellence in teaching, and she's been inducted into the American Cheerleaders Association coaches' hall of fame.

This year her Vic team won its 15th city championship and also its 15th provincial championship since 1985. Her team just placed third in the U.S.A. national cheerleading championships, the first Canadian coed team to reach this level.

In her spare time she is coach of the Edmonton Eskimos cheer team, and she is also the producer/choreographer for the 2005 Masters Games.

Congratulations and thank you to a great teacher, colleague, and friend.

Calgary Flames

Mr. Lord: Mr. Speaker and colleagues, how about those Flames. Wow. The 15-year dry spell for hockey fans in Calgary has ended, and our entire city has gone hockey crazy watching some of the absolute best games ever seen in recent years as our Flames have battled the Canucks to an edge-of-your-seat, right-down-to-the-wire victory these past few weeks. It has been an incredible experience. Calgaryans have been completely riveted to their television sets, culminating in that last hold-your-breath 3-2 overtime victory.

Our team, which consists of just about everybody in Calgary right now, has had to overcome incredible challenges to get to this point. Management, staff, and owners have had to meet the financial challenges. Our players, led by Darryl Sutter, with stars like Iginla, Kiprusoff, Gelinas, and Yelle and all the other great 28, have had to overcome almost insurmountable injuries, fatigue, and pressure playing against absolutely evenly matched opponents and have had to dig really deep, relying solely on sheer grit, determination, and hard work, Alberta qualities they obviously excel in.

Congratulations, Flames. We're all really proud of you. On to the Stanley Cup.

Thank you, Mr. Speaker.

The Speaker: The hon. Member for Edmonton-Mill Woods.

University of Calgary Law School

Dr. Massey: Thank you, Mr. Speaker. It is my pleasure to rise today in recognition of the University of Calgary being named best institution on the *Canadian Lawyer* magazine 2004 report card on Canadian law schools. The U of C achieved number one status based on some of the most important opinions, those of recent graduates. All recent U of C law graduates surveyed recommended the school, and the final grade given to the program was a B plus.

The Calgary law school admits about 70 students into the first-year program each fall. Small class sizes add to the school's learning environment, and teaching staff includes faculty members and practising lawyers. The university's curriculum was given top marks for its balance between theory and skill development, which, according to one graduate in the survey, gives, and I quote, an excellent foundation in theoretical aspects of law and particularly excellent practical experience.

Congratulations to the University of Calgary law school, and keep up the great work.

The Speaker: The hon. Member for Red Deer-North.

Civil Air Search and Rescue Association

Mrs. Jablonski: Thank you, Mr. Speaker. That others may live: this is a noble and honourable motto that motivates the 2,700 Canadian volunteers who give of their time and energy to be ready at a moment's notice to search for a missing aircraft or missing persons.

Armed with pagers and airplanes, 300 Alberta volunteers are members of CASARA, the Civil Air Search and Rescue Association. These volunteers are trained to Canadian military standards in fields such as aviation safety, meteorology, survival awareness, and search techniques. Whatever time of day or night it might be, CASARA members are capable of being airborne within 45 minutes of an emergency call by the military rescue co-ordination centre at CFB Trenton in Ontario.

This weekend Edmonton will host a provincial training officers conference. Jim Thoreson, the national vice-president and director for the province of Alberta; Ted Sherback, the deputy director; Pat Fahy, the provincial secretary; and Bob Jablonski, the provincial training officer, will review training procedures with other CASARA members, once again all giving freely of their time and expertise so that others may live.

Our Voice: The Spare Change Magazine

Mr. MacDonald: I am pleased to have the opportunity today to recognize *Our Voice* magazine, which celebrates its 10th anniversary this month. *The Spare Change Magazine* is published monthly by the Bissell Centre in order to increase the ability of people to become self-reliant and to raise awareness of issues related to poverty and inner-city life.

Our Voice aims to provide an opportunity for economically marginalized people to gain employment and income while drawing public attention to the issues they face. Vendors buy the magazine at the Bissell Centre and sell more than 5,500 copies a month in high pedestrian traffic areas of Edmonton for between \$1 and \$2 each. Members of the community can also get involved by contributing stories, photographs, and poetry for publication. *Our Voice* has a strong, regular readership, and those people come from many diverse backgrounds.

Our Voice has meant a great deal to many people over the last decade, and I am certain it will touch many more lives in the future.

Thank you.

head: **Presenting Petitions**

The Speaker: The hon. Member for Edmonton-Castle Downs.

Mr. Lukaszuk: Mr. Speaker, I would like to present a petition signed by 127 capital region citizens from the Alberta Fire Fighters Association petitioning the Legislative Assembly to "support Bill 204, the Blood Sample Act, which will provide more security and peace of mind for people working in occupations who have a higher risk of exchanging bodily fluids with a potential carrier of a blood borne disease."

Thank you.

2:40head: **Tabling Returns and Reports**

The Speaker: The hon. Deputy Government House Leader.

Mr. Zwodzesky: Thank you, Mr. Speaker. I'm very pleased to table with you some information that Albertans and MLAs here have been

waiting for regarding the Alberta centennial. It is the announcement of three new programs today.

The first one is the Alberta centennial per capita municipal grant program totalling \$10 million; secondly is the Alberta centennial legacies grant program, phase 3, totalling \$16 million; and the third and final one is the Alberta centennial planning program for provincially run programs totalling \$4 million.

Thank you.

The Speaker: The hon. Member for Edmonton-Highlands.

Mr. Mason: For tablings?

The Speaker: Yes.

Mr. Mason: Yes, Mr. Speaker, I do. It's my pleasure to rise today to table a letter from Dianne Strilaeff, which is addressed to the Premier. The author of the letter is very angry that while the insurance industry announces multibillion dollar profits, the government has locked in auto insurance premiums at the highest level in western Canada. She proposes a nonprofit, public auto insurance program.

Thank you, Mr. Speaker.

The Speaker: The hon. Member for Edmonton-Gold Bar.

Mr. MacDonald: Thank you, Mr. Speaker. I have two tablings this afternoon. The first is a program from the district finalists excellence in teaching awards, 2004, that was held at the McCauley Chambers Centre for Education last night. This was hosted by the public school trustees from Edmonton, and there were eight finalists nominated from different schools in the constituency of Edmonton-Gold Bar.

The second tabling I have this afternoon is a copy of a long list of individuals that was prepared by Daniel Dufresne of the Sundance Housing Co-op here in Edmonton, and this list is urging the government to raise the minimum wage in our province and also wants to advise the government that there is a connection between the low minimum wage and the housing crisis in Alberta.

Thank you.

The Speaker: The hon. Member for Edmonton-Highlands on a point of order.

Point of Order Allegations against a Member

Mr. Mason: Thank you very much, Mr. Speaker. I rise on a point of order under Standing Order 23(h), (i), and (j); that is, "(h) makes allegations against another member; (i) imputes false or unavowed motives to another member; (j) uses abusive or insulting language of a nature likely to create disorder."

The Premier in his response to my questions engaged in a number of comments which were, in my view, entirely speculation on his part respecting my role on city council, specifically in reference to the construction of the Convention Centre. He used language – I jotted it down from memory; you will of course have the actual transcript – something to the effect that I was the king of cost overruns.

Now, Mr. Speaker, when one is in politics, really the only thing that they have is their reputation. During my time on city council I worked very hard to develop a reputation as a financial watchdog and a fiscally responsible member of city council. I have some examples which I think are important for the record and your consideration. There are four of them.

Before I was on city council, as a private citizen I opposed the construction of the Convention Centre and predicted the large cost overruns which later occurred. The Premier's comments in that respect are directly contrary to the facts. I fought and successfully stopped the construction of the unneeded Highlands sewer project, which saved taxpayers 17 and a half million dollars. I opposed and stopped an unneeded expansion of the E.L. Smith Water Treatment Plant, proposing instead a water conservation program, which saved the taxpayers of Edmonton over \$100 million and which has reduced water bills in the city of Edmonton ever since. Finally, Mr. Speaker – these are just some examples, certainly not the entire record – I blocked a proposed P3 for an indoor soccer complex in Clareview and worked to put together a proposal for a city-owned and -financed project which saved hundreds of thousands of dollars for the taxpayers.

In conclusion, Mr. Speaker, the Premier doesn't know what he's talking about, and he ought not stand up here and cast aspersions on other members when he's supposed to be responding to questions unless he has some basis of knowledge for making the statements he has. So I'd submit that he is in violation of these sections of the Standing Orders, and he ought to return at an appropriate time and apologize.

Thank you, Mr. Speaker.

The Speaker: The hon. Government House Leader on this point of order.

Mr. Hancock: Thank you, Mr. Speaker. I think having heard the hon. member and his concerns with respect to his reputation as a fiscal conservative, it would be . . .

Mr. Mason: Responsible individual, not conservative.

Mr. Hancock: I'm sorry. Fiscally responsible individual.

It would be appropriate just to reflect for a moment on the give and take of question period as it's developed over time and particularly over the course of this session, and I think the Premier in response to another question today said it right. It's particularly difficult at times to respond to questions when the questions are nonsensical. That's my paraphrasing of what he said. The problem we have is that the rhetoric in the question promotes the rhetoric in the answer.

I take the hon. member's statements as he's put them, and I would acknowledge that from what he's said – and in this House we take people at their word – he has taken a fiscally responsible approach with respect to his actions on city council and being a fiscal watchdog, particularly with respect to the Convention Centre. I would be prepared to offer apologies to him for any suggestion that he was somehow a profligate spender or promoting spending in those circumstances in those comments that were made today.

I think there's a larger issue for us here, and that is that when questions are posed, the rhetoric of the answer often comes from the rhetoric of the questions or the rhetoric of the previous questions. Often the preamble to the questions is so rooted in inaccuracy, hyperbole, and rhetoric that it is very, very difficult to keep the answers to anything other than the same.

So while I think it's important to take the point made by the member opposite today with respect to the specifics of that particular question and the comments that were made, I think there's a broader question which all of us ought to be cognizant of, and that is that if you insist on twisting and creating hyperbole in the preamble to the question, you should expect that you'll be answered in kind.

The Speaker: Well, both representations are very important ones, and with respect to the actual question, to the hon. Member for Edmonton-Highlands, the Blues basically say – there are two points. One, it says, "Well, Mr. Speaker, this person was on city council when the costs of the Edmonton Convention Centre – or maybe he wasn't." There was an intervention from the chair suggesting that, well, perhaps the hon. member wasn't, so that perhaps was clarified.

Then the hon. member advised me that, well, there might be more coming, so then when I read the Blues, I quote the following: "So . . . when they want to talk about overruns, this hon. member, the ND member, the Member for Edmonton-Highlands is the king of overruns. But he likes them because that is the way of the NDs." That certainly was in the Hansard Blues.

Now, I've heard the response from the hon. Government House Leader, and as I understand it, there was a withdrawal or an apology with respect to this after hearing the position put forward by the hon. Member for Edmonton-Highlands. So I presume that that will settle that in terms of parliamentary tradition.

I do want to make a further comment, though, with respect to what the Government House Leader has said. The Government House Leader is absolutely correct. This is a game of give and take. Somebody gives it; somebody else will take it and then give it right back. If you throw the boomerang, just make sure that you're standing when it comes back, because if you duck, it's liable to get you in the neck.

2:50

So, let's see: ad nauseam now on the part of the chair, maybe the 50th time or something like this. I won't go on to the same length that I've normally gone on. I'll just be brief today. Okay?

Beauchesne's 409 says, "It must be a question, not an expression of an opinion, representation, argumentation, nor debate," and it "cannot be based upon a hypothesis, cannot seek an opinion, either legal or otherwise, and must not suggest its own answer, be argumentative or make representations." Now, those are the rules about questions. Today in the question period actually most of the questions could have been ruled out including most of the government members' questions because they either asked for legal opinions or something else.

There also is a similar rule that applies, then, to people who answer questions. It says, "Answers to questions should be as brief as possible, deal with the matter raised and should not provoke debate."

One day – one day – we will have arrived when we actually have questions and answers in the question period dealing with government policy rather than speculation, innuendo, personality attacks. Questions and answers. When we arrive at that point in time, we will be there. We will be there, hon. members.

head: **Orders of the Day**

head: **Committee of Supply**

[Mr. Tannas in the chair]

The Chair: I now call the Committee of Supply to order.

Hon. members, before starting consideration of the estimates for the Department of Agriculture, Food and Rural Development, the chair wants to bring to the attention of all members the provisions of Standing Order 58(5), which indicate that "the Committee of Supply shall be called not later than 3:10 p.m." on a Tuesday, Wednesday, or Thursday afternoon and "rise and report no later than 5:15 p.m."

The chair realizes that there's been some confusion about when afternoon deliberations of the Committee of Supply are to end. In

accordance, then, with Standing Order 58(5) this afternoon's consideration of the estimates will end just prior to 5:15 in order to allow the committee to rise and report by that time unless, of course, there are no members who wish to speak before we reach that time, in which the case can be made.

head: **Main Estimates 2004-05**

Agriculture, Food and Rural Development

The Chair: I would call upon the hon. minister to make her opening comments.

Mrs. McClellan: Thank you very much, Mr. Chairman. I have a few comments to make about the department's estimates for 2004, but before I do, I would like to introduce some very important people that are in the gallery. I am going to introduce the executive members that represent, I think, one of the hardest working, most talented and dedicated staffs in our government. I'm going to ask them to stand and remain standing until I conclude their introduction, if that's okay with the chairman, because I'd like all members to be able to recognize which of these members are which.

I'm going to begin by introducing my deputy minister, Mr. Brian Manning. I want to introduce Mr. Les Lyster, who is the assistant deputy minister for sustainable agriculture. Les is leaving us at the end of April, and I know that everybody will recognize the great service that Les has given to this department over the years. I would like to introduce John Knapp, who is the incoming assistant deputy minister for sustainable agriculture. Many of our members in this House on all sides of the House have certainly had reason to discuss programs with Mr. Knapp over the last couple of years because he has very ably steered his staff through some very complex programs that were certainly important to our industry. So, John, welcome with some regret from me because I don't know how we'll possibly replace you in your past job. However, I am confident that you've left very good talent there.

Ken Moholityn is our assistant deputy minister for planning and competitiveness, no stranger to any of you. You should know that he is affectionately called Super Moho outside the committee. Mr. Brian Rhiness, assistant deputy minister for industry development. I am not going to describe Brian's costume that he sometimes wears to show his support for the hog industry. We have Faye Rault, executive director of administration, who very capably keeps our financial activities on track. We have Krish Krishnaswamy, who is the vice-president of finance from the Agriculture Financial Services Corporation. We have Terry Willock, our director of communications. Jeff Haley is here from my office. Jeff is special policy adviser.

Ladies and gentlemen, I'm proud to present this talented and dedicated workforce to you.

Mr. Chairman, I don't think anyone will disagree with my opening statement, and that is that this was a year unlike any ever experienced in Canada in the agricultural community, but I must say that thanks to the support and guidance from our industry leaders, we have been able to travel these uncharted waters with some success, I believe.

Despite the difficulties that we've experienced over the last year, agriculture continues to be a very constant and significant contributor to our province's economy. We continue to account for a high percentage of our nation's farm cash receipts. Employment in 2003 rose to 94,000 people; that's direct employees in our agrifood industries. Cash receipts including program payments were \$7 billion. But maybe more importantly for the year of the last statistics that we have, Alberta farm capital assets were valued at just over \$55

billion. I believe that signifies a huge confidence from the people in this industry to their industry.

At this time last year I don't think anyone could have imagined what type of year we would have. I was sure that the focus of 2003-04 was going to be on growth. We started the spring with some good moisture, prices were pretty good, and it looked like this was our year. Instead, we learned about the single case of BSE.

But by working closely with industry – and I must commend the industry leaders because, Mr. Chairman, at all of our meetings we have had the industry represented at a very high level right across the industry, whether they were small or large packers; whether it was the Canadian grocers and retailers association; whether it was the five beef cattle groups, including our dairy producers, because, of course, they're affected; diversified livestock, which was also effected; financial institutions. The list goes on, and the dedication from those folks to steer us through this was unparalleled in my experience.

We did move 1.2 million head of fat cattle through the system. Considering that we thought we had 650,000 in Canada, I think we did pretty well. We have to again thank the people of this province that I believe led the country in support for our industry. Thanks to our good fiscal management and the sustainability fund we were able to dedicate more than \$400 million to the industry without impairing any government programs. We are very proud of that. We make no apologies for our programs. They indeed work. I have had letter after letter after letter, far too many, of course, to table in this Legislature, saying thank you to the government and to all members of the Legislature that supported this industry over the years, and believe me; the people out there know who those people are.

3:00

But the discovery of BSE also highlighted many areas where Canada can improve, and we have recognized that. We're ready and willing to do our part and, in fact, have started that. I raise that because that is part of our new budget estimates. The ability for us to do the new rapid test, the Bio-Rad test, in our level 2 biocontainment lab is a great boon to us. We're building the level 3 lab, which will not only aid us in testing but also offer us some opportunity for research, which is incredibly important.

I've explained, Mr. Chairman, why we chose the Bio-Rad test. I think that's well understood now. It is a multi-use test, and it is completely accepted and has been approved for use, as has our lab, as has our staff, for testing for BSE, for chronic wasting disease, and for scrapie. This certainly assists us in reaching the surveillance targets that the federal government has laid out.

I had the opportunity to accompany the Prime Minister and the Deputy Prime Minister when the Prime Minister toured our provincial labs in Alberta, and I think I would be correct in saying that the Prime Minister was very impressed by the calibre of the labs and the staff that man those labs.

We are committed in Canada to testing the number of animals that are required to prove statistically that we have an incidence of 1 BSE case in 1 million. That will come to be about 30,000 animals a year. At that rate we are considered a minimum risk.

I want to remind all members that testing is done for herd surveillance to understand the incidence of BSE in our herds. The safety/health side of it is kept safe by the removal of specified risk materials, or SRMs. By the complete removal of SRMs the safety factor is 99.96 per cent. That, I think, is the information that our consumers are most interested in.

The year ahead will see us implementing a number of strategic priorities that will help our industry in the future and contribute to the BSE recovery efforts; that is, our growth strategy, the rural

development strategy, the research and innovation strategy, and the agricultural policy framework.

Our budgeted expenditures do increase this year by \$17.2 million. These increases include the commitments under the ag policy framework, such as the Canadian agricultural income stabilization program, the farm water program, and some other programs included in the agreement. It includes industry-supported research initiatives. It includes ongoing operating funding for the level 2 lab and the new level 3 TSE lab. As all members know, it's incredibly important that you not only build these but that you have the funds to operate them on an ongoing basis.

We have added 68 full-time equivalents in staff. They are there primarily to manage food safety programs and the new CAIS program, the Canadian agricultural income stabilization program.

Our budget is based on a number of assumptions, as it usually is in agriculture. Some of those assumptions are that commodity prices won't decline further, that interest rates will remain relatively stable, and that we will not have another disastrous claim year under the farm income disaster and crop insurance programs. We are hoping for good moisture conditions. Parts of the province have those now, parts of it need them badly, but it's still early for spring moisture in much of our province. We are of course assuming that we won't have any further major disease outbreaks such as foot-and-mouth.

When we're talking about disease outbreaks, I just want to mention avian flu because I know it's a concern to a number of people. I want members to know that when avian flu was detected in Asia – that's some months ago – our chief provincial veterinarian sat down with our feather industry, and they reviewed all of their biosecurity measures. Our feather industry has been very, very forward-thinking in implementing on-farm biosecurity, but it was important in view of this outbreak in Asia to talk about that.

That was before there was a breakout anywhere in the U.S. and certainly long before the unfortunate experience in the Fraser Valley and the lower mainland. I am confident, in discussions with the chairman of the Alberta Chicken Producers, that they are maintaining those biosecurity measures and that they are doing everything within their power to prevent this very highly contagious disease from entering our flocks here.

Other things that, of course, we have to watch for are changes in interest rates and changes in the Canadian dollar. The changes in the Canadian dollar have a huge impact on our export industry.

So those items can affect farm income dramatically and can impact the indemnities that we might pay out, but we are hopeful that this year is going to be a better year.

I just want to close by assuring all of our hon. members that the prosperity and sustainability of our agricultural industry remains a priority of this government. I want to thank each and every member in this Legislature for their support during the last year. It has been an incredibly difficult year for our industry, and your support on all sides of the House is appreciated.

I think we have to acknowledge that we have been treated fairly by media in this issue, and I think that is important as well. But I also thank the dedicated people that we have at the Canadian Food Inspection Agency, our own provincial veterinarians for their openness and transparency with the media and with all inquirers to make sure that people understood very clearly the issue and the science that surrounded the issue.

Our industry is growing and changing rapidly – we are not any different than any other industry – and we know that we have to change and grow with it. We believe that our business plan and our budget recognize that change and the opportunity for our industry to move forward and be stronger and better than it ever has been in the past.

With those comments, Mr. Chairman, I will take my seat, listen to the questions, respond to some now. If they're technical or lengthy in response, in the interest of getting as much information out as possible, I will respond to some of them in writing, as I have, and I make the commitment to have those responses back to the hon. members that might ask them before our budget process is over. I have been able to respond to some questions that were raised during interim supply and will continue to do that.

So with that, Mr. Chairman, I look forward to questions. Thank you.

The Chair: The hon. Member for Edmonton-Gold Bar.

Mr. MacDonald: Thank you, Mr. Chairman. I'm looking forward to this afternoon's discussion on the budget estimates for the Agriculture, Food and Rural Development department.

Certainly, at this time on the record I would like to say that I agree with the hon. minister that it's been a very difficult year for this province's agricultural producers, specifically beef producers. It started off with such promise last spring, and unfortunately for all there was the detection of the single case of BSE in this province in the Peace River district.

3:10

When you look at the case in the Peace River district and how famous that cow has become and if you look perhaps before that, the most famous cow in North America would have been Mrs. O'Leary's cow in Chicago. Mr. Chairman, if you look at these two events – they've been separated by many years – exports are involved in both of them. The Chicago fire led to a lot of economic development in northern Ontario around the Lakehead because of the demand for lumber to rebuild Chicago. The contrast in this and the Peace River cow is that the Americans closed the border to our largest market for beef exports.

So there's a lesson here, and I would urge the hon. minister, perhaps in conjunction with the Minister of Economic Development – I'm surprised that we have such limited exports of beef to China. Certainly, I know that the hon. Member for Lethbridge-East has a fondness for ginger beef and Szechuan beef, and I have this view that we could increase our markets there. The Australians and the New Zealanders are exporting beef to China. There is an emerging middle class in that country with disposable income. I would hope that we would explore this market in detail, because if there's a lesson to be learned here, it's that we have all our eggs in one basket, Mr. Chairman, the American market, and hopefully we can diversify our export market.

I'm not predicting that this is going to happen again, a repeat of the identification of BSE in Peace River, because I think that since we've had the feed ban, since 1996, new cases are going to become less and less likely. Hopefully, we've seen the one and only case of BSE in Alberta. The cow that was found in Washington on the dairy farm that originated in Calmar was born a few months, I believe, Mr. Chairman, before the feed ban.

Now, we may have to change some of our feed regulations. We certainly have to work with other jurisdictions. As I said in this House yesterday, there's certainly a standardized form of cattle identification in this country. I think that a lot of people and, I'm told, a lot of people in the Alberta department of agriculture put a lot of work into this before it finally became standard.

I would hope that our department of agriculture this year is going to work with other departments provincially and with the federal government to convince the Americans that we need to have a North American licence plate, so to speak, or bar code for all cattle that are

born on the North American continent, Mr. Chairman. This needs to be done in light of the difficulty they had in Washington around Christmas of tracing back and detecting possibly other examples of BSE-infected animals. This needs to be done, and I'm sure this hon. minister and this department are going to work very diligently with all jurisdictions.

I'm told by industry representatives that they have been working very hard to resolve this issue and have been working co-operatively. There's no doubt in my mind that this is being done in the interests of Alberta producers first and foremost, but we've got to convince others of some of our own sound practices.

Also, last year the hon. Member for Lethbridge-East was talking about having a committee. I don't want to call it a supercommittee of all jurisdictions in North America but representatives from both sides of the border. Of all industries, including the automotive industry, I would say that the beef industry is perhaps the most integrated in North America. I don't think we can stop this, nor do we want to. If the Americans want to buy our beef, they're welcome to it. If they want to buy our beef genetics, they're welcome to that too, as far as I'm concerned, because it's some of the best around.

Now, the Member for Lethbridge-East wanted a committee struck with representatives from all the provinces, the federal government, I believe, and the American jurisdictions, the U.S. Department of Agriculture, the American beef council, I believe. It was an idea that, oddly enough, like many of the hon. member's other ideas, was before its time, Mr. Chairman. There has been a report that came out from the U.S. Department of Agriculture near the end of March – I believe it was March 26, to be precise – that indicated just exactly that. There should be a committee struck, and it should be dealing with science, not political rhetoric, and resolve this issue. This committee would understand, unlike some of the American members of the Senate, that this is an industry that is integrated across North America, and we have to look at solutions to our problems with that understanding, that this is a North American industry.

So hopefully the advice of the hon. Member for Lethbridge-East is going to be adopted and there will be significant new dialogue and we will ensure that the Alberta beef industry has strengthened credibility and the consumers, no matter whether they're in Edmonton, New York, Montreal, or Toronto, will have confidence in Alberta beef products.

Now, the hon. minister talked about the Bio-Rad test, and I can understand that this was a test that was initially used for chronic wasting disease in elk populations. I believe every animal that was slaughtered from those populations was to be tested . . .

Mrs. McClellan: Is tested.

Mr. MacDonald: Is tested. Okay. I find no fault or no harm in that.

I had the pleasure of attending a conference that was organized by the University of Lethbridge, the University of Calgary, and the University of Alberta last week in Calgary, and it was very interesting. Experts from all over the world were there to discuss and educate on this whole issue of BSE. It was a very good conference to attend. I learned a lot there, but many of these experts from around the world were expressing caution about rapid BSE tests that could possibly indicate a false positive. I would hate it and be very disappointed if the hon. minister did a lot of work with her staff and with others to promote and enhance our industry and have some false positive test ruin all the hard work that would be done.

Food safety and food safety issues. The hon. minister talked about the situation in the poultry industry in the Fraser Valley in B.C. We have our own situation with beef. Previously there were national news stories in regard to fish farming and salmon. Consumers are

getting suspicious, but consumers have to realize that some of the food safety initiatives that are going on now are really second to none.

3:20

I have learned in the course of my research on BSE that more people will get sick from hamburgers that are barbecued improperly, where there is a lack of proper food handling techniques used in the barbecuing of the patties. In America 1 in 4 people, statistics state, will get sick on an annual basis because of contaminated food or water, and if we educate consumers on how to properly handle, in this case, hamburger patties, we can significantly reduce the number of people who will get sick from the consumption of barbecued hamburgers.

Now, hopefully that will come later. There's no doubt that this department is making every effort to enhance excellence in food safety. There's no doubt in my mind. That was one statistic that certainly caught the ear of this member, that 1 in 4 of us at least once in a calendar year will get sick from either contaminated water or contaminated food. It has nothing to do with poultry or the production of the poultry, the production of the beef, or in another case the production of fish. So there are a lot of stories that are sensationalized, but that's one that isn't, and it's centred around the preparation of the food that we eat.

Mr. Chairman, this is a very interesting department. There are a lot of programs in this department, and there is certainly a lot of use of these programs. This afternoon I hope to have many of my questions answered, and if they cannot be answered, I would certainly appreciate those in writing within a reasonable length of time from the department officials.

The total gross department spending is down slightly, by .3 per cent, from last year, Mr. Chairman. The department is largely the same as it was last year. There are a few real increases of merit with one notable exception, food safety, which is up 54 per cent from last year's budget, and that's probably for obvious reasons. Gross department spending is down, from \$433 million to \$431 million, I believe. This is interesting given last year's experience with agriculture. Does this reflect a restructuring of the department, especially the major restructuring of farm safety net programs?

The standing policy committee spending is up by 4 per cent from last year, Mr. Chairman. Why? Where is the money going? The chairs of the committees got, on average, \$23,000 in the fiscal year ended March 31, 2003. What sort of hours have they put in in order to get almost as much salary as, say, a researcher in our caucus simply for serving on this committee?

Also, can the minister clarify some of the activities of the policy secretariat? Their gross budget has gone down almost 10 per cent from last year; however, the policy secretariat is forecast to spend 27 per cent over the line item from the 2003 budget. So why is that? What activities have they been engaging in?

Under Economics and Competitiveness, item 2.2, administrative support is up approximately 10 per cent, or \$36,000. What is very interesting is that the forecast spending on administrative support for the fiscal year just ended is 1,460 per cent higher, or \$5.1 million, in the line item from last year, which I believe was \$374,000. What's up with this? Why is it so much greater than budgeted?

[Mr. Klapstein in the chair]

Now, the greatest increase in expenditures in the department is under the food safety reference, 4.3. The total increase for this reference is up 52 per cent, or \$6.9 million. Obviously, this increase is due to the BSE situation in Alberta.

Hopefully, Mr. Chairman, we're going to have more time later on to talk specifically about this BSE situation, but there are some questions I want to get on the record in the meantime.

More directly, the agrifood systems element, 4.3.2, is up 43 per cent, or \$1.6 million, and agrifood laboratories, 69 per cent, or \$2.3 million. This is all to deal with the upgrades to the Provincial Lab in light of BSE I assume, or is this a separate lab?

Mrs. McClellan: Same lab.

Mr. MacDonald: Okay. Same lab.

Now, the chief provincial veterinarian's office has had an increase of 230 per cent, or \$344,000, for this budget when compared with last year's budget. What are we going to get for this money? Is there going to be an increase in their recruitment of, let's say, senior 4-H club members that have a very good report card coming home in their satchels, a good science report card? I would really think we need in this province to attract, train, and retain a lot of young Albertans not only in the veterinary professions but in the pathology end of that profession. Is this what's going on here?

Now, element 4.3.3 under Equipment/Inventory Purchases deals with those purchases for the agrifood lab. The amount budgeted is exactly equal to last year's purchases, \$380,000. It is interesting that the comparable forecast of money spent for the department in this line item for the 2003-04 fiscal year was 320 per cent higher, or \$835,000. Can the hon. minister detail these expenses? Also, can the minister please tell us why the budgeted amount under these line items remains the same as before the single case of BSE was detected in Alberta?

In regard to this lab precisely what is going to be the final test cost for one rapid test of BSE, whether it's Bio-Rad or some other one, Prionics? What exactly is the department going to pay for that in this lab? There was a report in an editorial in a local paper where it was between \$25 and \$30. Now, the total cost of this surely has to be \$80 or \$90 or maybe . . .

The Acting Chair: Hon. member, your time has lapsed.

Mrs. McClellan: Mr. Chairman, I'm going to just do kind of a quick answer to some of the questions because it may help for further questions.

The lab upgrading is in Infrastructure's budget, not mine. Infrastructure builds and does all restoration or re-formation of buildings.

3:30

The increase in my budget is in operating, and I did mention in my opening comments that part of the increase of I think it was \$17.3 million to my overall budget is for the operation of that lab. So that's staffing, test kits, and so on. The kit cost does run somewhere around \$30 a kit. Doing a thousand tests a week, if you were doing that many, your cost would probably be about \$100, somewhere between \$100 and \$150 depending on that range, and of course it depends on volume as to the efficiency of the use of staff and so on that are allocated to that. If you can double that, you bring it down. If you double the number of tests, you can bring the cost down because of the efficiency in volume.

Turnaround time on a rapid test is some three to four hours. While we're on testing, I want to go back to false positives. That would only be an issue if you didn't have a confirmation test. I might say that we used the rapid test in testing some 2,700 animals that we had to test and eliminate from our herds from that incident in May of last year. We did not, as far as I know – and I think I'm

absolutely correct on this – find one false positive, but if you had a false positive, it would be tested using the gold test. That is the more expensive test. That is the test that takes up to three, four days to conclude. It's an immunohistology test. I'm trying to learn the jargon – that's not jargon; that's scientific – the names of some of these.

So false positives are not the issue. If that's all you were using, yeah, it would be an issue. But if you had one, you would immediately go to the gold test and substantiate it. That would be the practice. So that kind of covers testing.

One of the reasons that you don't see as high an increase in food safety as you might expect given the one case of BSE is that we've been very proactive in food safety, and we've increased our budget over the years prior to BSE being found. Of course, it was a distinct advantage to Alberta that we were forward-looking. We did add dollars. I don't remember the exact amount. I do know that I think two years ago it was a million something. The year before that was more money. We've been increasing in food safety over the years, so we don't have to swallow a big gulp when an incident does happen.

The 4-H program was alluded to, and I'm going to give you the detail on that line item, but I can't let that go without saying that we have the best 4-H program in Canada. I will boast of that, but those aren't just our words. That is recognized across Canada. We're the envy of Canada.

I had an opportunity last evening to visit with a group of 4-H leaders. When I concluded a meeting I had, they happened to be meeting in the basement of the same hall, and we had an opportunity to talk about the program. There were some of their young people there, and I can tell you that they are extraordinarily pleased with and proud of the program that we provide in this province. There is no question that it does lend itself to outstanding young people in the industry. For the future we tend to think of the industry as going to the farm, but these are the leaders that go into food safety, food science, into veterinary services.

The number of veterinarians and pathologists is of concern to us. We're working with the Minister of Learning on that. We buy our spaces at the Western College. There's no question that we're not graduating nearly enough food animal veterinarians. It's difficult to control that, because while a student may go in with that intention, they have the right to switch their specialty as they go through, and they have the right to practise in whatever area they want to when they graduate. We do our utmost. As you know, we fund a chair in large animal practice at Western College. So we're doing what we can to improve that, and I must say that we're recruiting world-wide for pathologists. The shortage is not just here. It is a world-wide shortage, and that's of concern.

I want to just mention a couple of other things briefly. Mrs. O'Leary's cow. I didn't think you were at any of the things that I was talking at. I used that as an example of how one cow can disrupt the whole world as we know it. The difference in export ban in this case is that that is what happened. It's what we did when an incident was found somewhere. Immediately your borders are closed.

What's different in our experience – and it is unique to this experience – is that our borders opened with the U.S. within seven months, not seven years, which would be the norm, that as of Monday of this week a tremendous announcement, I believe, where all edible cuts of beef will cross the border. Prior to that, we had been limited to boneless cuts. Now bone-in cuts can go, like T-bone steaks, rib roasts, ground beef, and that's huge. Of course, we're all waiting with anticipation for the rule to come out, and it certainly was encouraging to us when they added product from over-30-month cattle to that rule. I'm hopeful that that rule will be implemented.

The difficulty we have, even with the expanded cuts taking place, is that we are at packer capacity. We had an industry meeting last Friday. We had all of our major packers there, the three of them, talked to them. They're going six days a week, full shift, flat out. We're slaughtering and shipping more product than we were prior to BSE, but we simply don't have the capacity in Canada anywhere. Remember: we slaughter 70 some per cent in Alberta.

An Hon. Member: How much?

Mrs. McClellan: Seventy some per cent of the slaughter occurs here, and that is of concern to us, because even with this additional product going, the capacity is an issue. There's a lot of activity happening in that area, but we have to be realistic. To build a plant, if you started today, you're looking at eight, 10, 12 months for it to be operational, and it's also a huge investment. That's why it's important to us to have live cattle be able to move. Personally, I think that every agricultural product that goes out of this province, whether it's in grains, animals, vegetables, or fruits, should go in a box. It should be value added. Frankly, we don't have the capacity right now.

The other reason that you need this opportunity is that you need arbitrage in the market, you need price determination, and you don't have that in a closed market. It is encouraging to us to see that American buyers are buying here now and have been for the last several weeks. The Premier has championed this idea. It's taking different forms. The Prime Minister has carried this forward. We're pleased about that. Our officials, provincially and federally, are working on this. We had a discussion about it at our federal/provincial/territorial meetings a week ago, 10 days ago. We did discuss this with the undersecretary of agriculture in the U.S. as to their interest. They are also interested, whether we would do it together or we would do it singly. But we recognize that.

The other thing that is of great interest to us on the North American side is harmonization. We'll always be competitors, but if we can harmonize as much as possible some of our regulatory areas and scientific areas, it will be of benefit to all of us. We have to remember that one of the players in the North American market has perhaps not got all of the institutional ability yet, the scientific ability yet. That is a challenge, but those are challenges we are definitely committed, as Canada, to work on with the U.S. and Mexico.

ID system. It would be wonderful if it would be harmonized. But I think we are individuals; we will choose our own. I am most proud of the fact that the animal that we had in Alberta was traced back absolutely as to the origin of that animal and in very short order. The animal that was found in the U.S. was traced back into Canada very quickly. Their trace out beyond that was, frankly, less than good, and that speaks to the fact that we do have a national identification system and the U.S. does not. They recognize that they must, and they will work towards one. They will have what suits their industry the best. We will have what suits our industry the best. I can only say: thank goodness that our cattlemen did proceed with what was a very, very contentious issue on a national identification system. I am so pleased that they persevered and did it.

3:40

You talked about China. We are in China. It would be helpful if you had an opportunity to talk to some of our producers that are over there. They've been there for some time. They have been working on embryo and semen mainly because, obviously, transportation and utilization in that area is quite often easier, and it's that that they want.

We had a bit of a halt, obviously, with BSE, but those companies

are still in China. We see that as a growth market. We are also in Russia. When I say "we," I don't talk about government. Our producers are the best salesmen. We're there to help them, to open doors if it's necessary, to work on issues around health protocols, regulatory things, but our producers go out there. We are well recognized in the world as leaders. Russia is another potentially important market.

Just as a reminder, today the U.S. is our largest market. That won't change. There are too many reasons for it to stay that way. We have an integrated market now. We have a natural advantage in transportation proximity, similar cultures, same languages, and so on. So it's going to be our largest market.

Japan was our second largest market; today Mexico is. You should look at the graphs that show the growth in the Mexican market. The Canada Beef Export Federation put an office into Monterrey. I'm trying to think of how long ago that was, maybe five years ago. It's somewhere in that range. The growth in that Mexican market was just absolutely phenomenal, and there's huge opportunity for future growth there. Then Japan is third, and on it goes.

One of the important things for those external markets is that they take product that we don't necessarily use as much here or in the U.S. They buy offal cuts that we are not as prone to use here, and they buy it at a very, very good price, because that's a premium item in other cultures. So that's important to us. But our industry recognizes that they have to diversify and expand their markets.

The Minister of Economic Development may want to comment because they're the salesmen in the world for us, and there have been additional dollars provided to Economic Development to assist our industry in enlarging our market base, and I can tell you that those dollars are working well.

The other thing that we increased that I should just mention quickly is product development, and those were dollars that were put in place to develop utilization of product for over-30-month animals, because that's going to be with us for a long time. We have put the Leduc processing centre at our industry's disposal. We have purchased some additional equipment there. There are some excellent initiatives.

I think that some dozen or 14, at least that I have seen, Alberta companies hold great promise in that they are going to develop more home for that over-30-month product, value-added right here, because that's going to continue to be a problem.

I'll point out that we're probably killing almost as many cows now as we were pre-BSE. Our difficulty is that we cannot and are not killing the 70 per cent of those animals that went into the U.S. mainly for slaughter, processing, and then sale. We don't have the capacity to do it. If you'd just look in western Canada, there's one major cow plant – it's at Moose Jaw – a small plant by plant standards. Tyson kills cows on a limited basis in Brooks, and there are some smaller plants in eastern Canada, Quebec and Ontario.

But if you were killing cows, B.C. cows would come to either, as we know it, Lakeside/Tyson or go to Moose Jaw. Some of the cows that our producers shipped went to Quebec.

Not a very good deal on the value of a cow today, so we need to do more there. We have probably five, six, or seven groups that are very serious about increasing our capacity in Alberta. We provided some dollars to help them develop business plans and expertise around this – you want to make a good business decision – and Ag Financial Services has a loan program that is available to people who are looking at developing plants.

So there's a lot of activity going on. I think you could spend three days talking about what is happening in this area, and you'd miss something. I just want to assure you that market development has

been occurring, but the U.S. will continue to be our biggest market for all of those reasons that I laid out.

I would, though, certainly hope that at some point in the afternoon, the Minister of Economic Development might share with you some of that information, or if he can't do it here, when his estimates come up, I think it would be an excellent opportunity to get that information.

The Acting Chair: The hon. Member for Edmonton-Gold Bar.

Mr. MacDonald: Thank you very much, Mr. Chairman. I have one further question at this time before I cede the floor to the hon. Member for Lethbridge-East. If the hon. minister could clarify – she spoke about the trips to China, and they were there selling embryos. Now, I'm of the impression that when the BSE ban occurred, the border was closed, it was for live cattle and also embryos. I'm told now that the export of embryos to a large number of countries has resumed.

[Mr. Tannas in the chair]

I have not read about this in the media. Maybe I overlooked it; maybe I missed it. Who's to say? But I think it's a good-news story that this trade has resumed, and it has not to my knowledge been reported. If it was reported, I missed it. It's the stepping stone we need to open the border to live cattle. Could the hon. minister confirm that, please?

Mrs. McClellan: Semen and embryo do travel. The disruption that I talked about was the total disruption in all trade initially, right after BSE. You didn't probably read about it in the newspaper too much because, you know, usually if it's kind of good news, we don't get an awful lot of coverage on it. I wouldn't get it because I'm not probably as prone to reading the newspapers for information as you are. I find other sources might be just as good to get it.

Embryo and semen are moving and continue to move. So the disruption is just overall in trade in beef. We're not only interested – and when I say we, I'm not talking government. I'm talking we the agricultural industry, in this case the beef industry. We are interested in expanding those markets to meat products.

I said, when the border opened in Macao, how important that was, and some people thought: really, Macao is a little peninsula. I said island, and somebody corrected me very quickly. It's a peninsula, a very small country, but it has proved since how important the opening of Macao was, and product is moving to Macao. It's a step in opening all of Asia.

There have been so many things that have happened over the last months that may not seem significant to others but to the industry are huge. This is a marketplace that operates a lot on signals, on information. It's a commodity, and prices can be affected up or down. We have tried to be very careful as government members in what we say because we don't want to impact the market in the wrong way, and we know that that can happen. A statement by the Premier, a minister, or somebody in government can have an impact on the market in a negative way as well as a positive way. What we want is a true market situation, not one that is based on something that might or might not happen.

3:50

The actual announcement of the U.S. opening its border to all edible cuts of beef occurred Monday morning, but actually it was out late last week. If you followed the markets, you would have seen the markets on Friday and the TEAM sales went up 8 to 10 cents. Now,

for the people that sold that week, the guys that sold before the rumors started would be a little sorry and the guys that sold after it were of course elated with the better price. What was important to us was that Monday opened with that same 8 to 10 cent increase. So this is a marketplace that's very fluid and reacts.

I'll leave it at that, and we'll have some more questions, and on we go.

The Chair: The hon. Member for Lethbridge-East.

Dr. Nicol: Thank you, Mr. Chairman. I want to start by joining the minister in saying thank you to all of the individuals in the Agricultural, Food and Rural Development staff. They've been great to work with over the last 11 years, and it's been a real opportunity, I think, for me to learn a lot about their approach and the way they deal with policy. I commend them on their willingness to be open and to work for the industry, which is what we're all in it for.

I guess that I just want to conclude with a couple of comments and questions about some of the things that went on. I'd kind of break it down into maybe three different areas. Again, we all have to start with the crisis that faced our industry this year in the BSE area. Minister, you were talking about the idea that the use of the quick test might lead to false positives and that automatically transfers the test on to the gold standard test.

A question came through my mind as you were making that comment. This is going to mean a four-day confinement, in effect, for that product both in terms of the carcass, in terms of the head, all of that. What is being put in place there to deal with that, and how will that be handled in the context of who's going to take the impact? Will it mean that all of the meat at a plant is all of a sudden on hold, or can the carcass be isolated? Are these kinds of plans in place within the industry to deal with that contingency?

As much as we never want it to happen, I think we're learning that we have to be prepared. The potential, then, for the perceived contamination of other meats from the carcass that has that potential positive sets a whole mood for the industry, especially the consumers. I guess, you know, in terms of the industry and the public, maybe the best thing would be that that all happens quietly, but that doesn't necessarily always occur. So we have to make sure that there is a public awareness of this whole process so that the confidence stays there: okay; this may have happened, but precaution has been taken. If you could outline whether or not those discussions are even going on, I think that at this point that's all we can ask for because this whole process is both reasonably new and dynamic, so we have to be prepared for adjustments to go on continuously in this process.

[Mr. Klapstein in the chair]

One more comment on the BSE, then I'll move on to some others. You spoke about the 99.96 per cent risk. I guess the question comes up – and I've dealt with this when I was teaching at the university before – in terms of what constitutes appropriate levels of acceptance for risk, and we hear constantly the people say: well, we've got to test more. I've always answered back: you know, well, we've got this to 99 per cent. And I thank you for the extra few decimals that I can now use. You talk about improving beyond that just by testing a few more. The only thing we really can do is test everything.

What we need is some kind of an information process for the average Albertan, the average Canadian so that they understand that we are testing at a level which in effect is more than sufficient, is standard sufficient. To do anything other than that is just . . .

Mrs. McClellan: It's a waste.

Dr. Nicol: Yes. It's extra cost, extra effort which we don't as a public get a benefit out of. This is the thing we have to really look at. How do we get that kind of standard for Canadians and, I guess, for the international market?

A lot of people have come to me and said: what do you make out of this instance that occurs in the press all the time about this company in the United States that wanted to undertake the tests, prove that the animals were clean, and then enter the international market, in effect create a market niche or a market-differentiated product? Then they're saying: well, if they can do that for an international market, why can't they do it for us? I think we've got to start under the food safety initiatives and start talking about risk in all aspects of it, not necessarily just BSE, but we've got to get the consumer to understand that no matter what you do, there's a risk.

I went down to the grocery store when I came into town and bought my week's supply of groceries. You buy a can of something, and everybody says: well, canned food is ultimately safe. No. There is a risk factor to that. It's not a hundred per cent. If the consumer can understand this, they'll accept the fact that our beef is probably safer than that can I bought.

This is the thing that we have to look at in terms of: how do we make that transition now? It's so easy to have a bad-news story get out and create questions in the minds of Albertans and Canadians and our international trade partners about what the real risk they're facing is. So some kind of an education program in the future, Madam Minister, when we get to dealing with the new food safety initiatives that are coming out of the realignment of the ministry is something that we really need to look at.

I just want to conclude my comments now on BSE by saying that every Albertan and every Canadian, all of us, have to thank the scientists for the great job they did. They created an international standard on how to handle this that has been recognized and been commented on in Europe, in the United States, all around the world. That just shows the dedication that we have in terms of both our provincial vets and the CFIA, in terms of their actions. So I want to join you in putting it on the record that from the science perspective we really came through on this and showed that consumers can have confidence because of the work that our pathologists and our vets are doing.

[Mr. Tannas in the chair]

I just want to touch briefly on a couple of other areas that we need to deal with. You talked a little bit about the incentive for the industry to grow and the way we wanted to do that. I guess that this is a question that comes to my mind every time we talk about, you know, the new directions of our ag initiatives. The ag summit process went on at length a few years ago. I guess there was a real initiative there to talk about what we need to do in each of these areas. There are a lot of initiatives, you know, in the food safety area. There are a lot of initiatives coming out now in environment conservation, all of these from that ag summit process. What's missing is how the ag summit talked about the vision for where we want to be.

4:00

I was looking back at, you know, the mission statement of the ministry, where you start off: "To enable the growth of a globally competitive, sustainable agriculture and food industry through essential policy, legislation, information and services." You know, that says a lot, but it doesn't tell Albertans what you see as the role

that agriculture needs to play both in terms of public policy and the area that we're going into in terms of transition.

You know, if you read that and say, "Okay; this is great," being a free-market economist, I say, "This is going to mean that the market's going to work and we're going to let the market drive forces." Then you find somebody that says, "Well, if you let the market drive forces, we're going to end up, in effect, with great big farms in Alberta and nothing else." That's not what we want for rural Alberta.

So information needs to be presented to Albertans that talks about, you know, how we see this transition and how we see an end description, if you want to call it that, of the rural community. I got into a real debate last week in Lethbridge when somebody asked a question of me about what they called "factory farms." My response was that in many cases – and I think we've seen it in some crisis situations in Alberta – the big producers have the wherewithal to actually adjust and respond to a crisis more so than the small mixed operation. I made that comment, and it wasn't accepted very well by the individuals who asked the question in the sense that they said, "Well, if you've got it spread out a little bit more, then you don't have the concentration; you don't have the impact."

Well, you know, this is the kind of thing that if we're going to have the magnitude of an industry that we want in Alberta, we're going to have the same number of animals, whether there are 10 on each farm or whether there are 10,000 on each farm or whether there are 100,000 on each farm. There's going to be the same number of animals if we have that economic incentive and opportunity to produce that product in our rural communities.

So I guess that what we need to do is help inform Albertans about this area of what we see as the driving forces behind agriculture. If it's going to be the market in that way, then Albertans need to be made aware of the fact that the big farms are going to become more and more the standard rather than something to say: why do we have these? You know, that kind of vision needs to be put together.

Just a final comment on that. I was making a presentation to a bunch of individuals involved in the federal arena as well. I suggested that as a policy economist the ag policy framework provided me with all kinds of opportunities to deal with really constructive policy-making, but until you knew what you wanted in terms of agriculture, you didn't know what policy to put in place because you didn't know what the end was.

I think that's missing out of the ag policy framework as well, you know, in terms of an overview statement about what we see as the future of agriculture. If we're really looking at the commercial production of a safe food product for the consumer, then we have to separate production from this concept of what is a rural community. The rural community has got to be based on a diversified economy, not an agriculture/farm vision. I think that kind of a statement is good because at least if we have that kind of an answer, then when I get up in these meetings, it would be easier to give an answer as to what we wanted our end to be.

I've got a couple more issues that I wanted to raise, but I think I'm just about at the end of my time. I'll sit down now and let you get to those, and then when my turn comes up again, I'll hit the other ones. Just to give you a little forewarning, it deals with crop insurance and some of the other CAIS programs.

Mrs. McClellan: I'll try and be brief and, as I said, will respond in detail in writing when it's appropriate.

On testing. We have the capacity to deal with holding animals now. Primarily the animals that are tested are tested from provincial abattoirs, obviously, because the target group is over 30 months. So they have that capacity now. That's one of the issues that would be

around testing every animal, but there are more issues than that. If we asked, even with the rapid test, one of our major plants how many animals they could kill if they were required to test every animal, they thought about 1,000 a week. We kill up to 6,000 a day, so obviously we wouldn't even satisfy our domestic market. If we were asked to do that, they would probably have to increase their freezer space by 10 times and even more.

A lot of people don't realize – you know, you have to stop and think this through – that when you test an animal for BSE, you have to kill the animal. There is no live test. You have to remove that small part of the brain, and then you have to put it through the process. But you also have to remove all of the SRMs from the animals when they are tested. So you today have to remove all specified risk materials from that animal. If you're going to test every animal, you have to contain all of those separately. So you would have to take all of the SRMs and bag them or whatever you'd do for that individual animal and store them until you had your results. Then you would have to take your sides, because this animal is now going to be sorted, and they would have to be tagged and bagged and separated. Every part of that animal has to be identified and held until your test results come back.

There's no point in saying: okay, we'll test every animal. You couldn't do it. We don't have the capacity. Even with our additional labs we couldn't do it.

The more important point in all this is that you shouldn't do it. There is no scientific basis to do it. The USDA in their decision on Cold Creek, as I understand it, is based strictly on that they are going to make a determination on the level of testing based on science. The danger is that once you stray from using science and the best information you have for making decisions, you get onto very dangerous ground. If you do it for one thing, then why wouldn't you do it for another? You shouldn't go there. Otherwise, why would you use the science? You know, what we're trying to do on feed policy, on testing policy is use the best science available.

The other thing is the cost. You are going to put in a cost that has no benefit to human health. I don't know how I could recommend to the people in this Legislature that we spend another \$90 million or \$100 million in our province, somewhere in that range, to do testing that has no scientific basis and is not going to improve or impact human health when we have people who need cancer treatments, when we know that if we vaccinated every baby for influenza, we would save lives. People are actually dying from that; children are dying. People died from SARS. The money would be better spent there.

I don't know how you would ever advocate or should advocate doing something that doesn't have a benefit on either herd surveillance or, more importantly, on the impact on human health. As you said, there is some level of risk in everything you do. I think a risk at 99.96 per cent is one that our public accepts. It's an interesting area how this thing with BSE went so wildly out of control. In Europe or the U.K. perhaps you can understand it: 183,000 positives that they know of prior to putting in the precautions that science said you needed to do. We have to step back and say that the U.S. and Canada both put in feed bans in 1997 that ban ruminant-to-ruminant feeding. Science says that that is the way this disease would be transmitted, so you've minimize that. The removal of specified risk materials, science tells us, takes us on the human health side to 99.96 per cent.

4:10

Now Japan. Interesting because it's always brought up that Japan is still finding younger cases. Of course they are. They did not implement a feed ban in 1997 when much of the world did. In fact,

we did here in the U.S. and in Canada. Their feed ban went in in 2001, so they have some time before they can feel some assurance that, in fact, there isn't a transmission or cross-contamination problem there. So it's a different issue.

It's amazing that a disease that is so isolated, that so few human beings have contracted over 10 years in the whole world, has caused such a furor. I feel safer eating beef in this country than almost anything because I know the security and safety measures we have and I know that food safety is a priority for this country.

I know that three years ago when we began the ag policy framework discussions in Whitehorse, this was a key element of the ag policy framework for Canada. The ministers of the day, federal, provincial, and territorial, made a commitment to develop a policy that made food safety a priority, that branded Canada as the best supplier of safe food products. All of our work to this date has gone to that, whether it's in the food safety area, research, areas like that. So I am confident that we're on the right track.

Food recall is an interesting thing. Some people see it as a negative; I don't. You know, I feel much better knowing that they can detect problems in food and trace it back and take it off the shelves. The attitude that something else is better, like "if I don't know about it, it's okay," I don't feel real good about. So I'm pretty happy that we have these systems, whether it's in fish, poultry, beef, or vegetables, that we actually can trace it and identify it and remove the risk from our population.

I appreciate very much your comments about our scientists, whether they're with CFIA or our provincial vets. You're absolutely right; they are top-notch. They have delivered service far beyond any value of their salaries that we could have given them in this instance. They've been amazing.

The ag summit process, the vision. I think the key words in that are: enable growth and policies. We have to be careful as government that we understand that it's not us that will grow this industry, but it's the industry that will grow, confident that we will put in policies that enable it to grow in a safe and viable manner down the road. Agrivantage teams have done a lot of work in this area. I met with the Agriculture and Food Council yesterday and, in fact, coincidentally, talked much about the same thing. I think you're right. We could do a better job of enunciating some of this, but you always wonder who really is going to listen because it's too good of news.

I am so tired of the words "factory farms." I know you hate it as well. What you're really talking about are corporate farms. I want to remind everybody that in the last information that I saw, less than 3 per cent of the large farms in our province are held outside of families. So your so-called factory farm, or corporate farm, could have five family members that if they were individually not incorporated that way would be operating as a unit. What they've done is come together for management practices, for efficiency, and sometimes – let's be honest – for tax purposes. It just makes more sense.

So before we start talking about some corporate takeover of our farms, remember that the corporations are families. I have families around me where five family members are making their living off that corporate farm. It might be called a factory farm by some people, but I don't think they feel good about being labelled that way because they are contributors.

It's going to be an increasing difficulty for us because in many of the areas we do not find commodity prices rising at the primary level commensurate with the cost of providing them, and the grain sector is a very good example of that right now. If you look at the value of a bushel of wheat today compared to the value of a bushel of wheat 30 or 40 years ago, it hasn't changed a heck of a lot, but I can tell

you the cost of producing that has. The only thing that has really worked for our industry is good research, good husbandry, good management practices, and their ability to increasingly become more efficient and more productive. But you do wonder where that line ends, and I think we're very close to it. I think it's going to be very difficult to produce product if people don't recognize a higher value at the primary level.

People wondered why the price of beef didn't go down more than it did. It did go down 20 per cent in Alberta. That's documented. But you know what? The cost of buying your meat at the counter is quite different than it was when it was produced at the primary level or, indeed, slaughtered at the packer level. None of the workers who work in any of those areas took a 50 per cent reduction in their wages. We continued to pay the people, whether they were the processors in the plants – and obviously we should. So all of those costs remained constant. The hit came down at the producing level. No question. That is one good reason why you will not see a huge difference in the cost of that product. It had to be retained, and the people that retail it had to be paid and should be paid. I mean, they work for their money.

So these are issues that I think are going to be of huge discussion by our industry, and I think the more sessions and conferences we have where people in this industry come together and debate and discuss these issues the better. But the marketplace has to be the final determinant, in my view. I think the hon. member that asked the question is totally a believer in that as well. The marketplace must be the determinant. Our responsibility in government is to ensure that we have policies in place that allow the market to work yet protect the areas that need to be protected, like air, soil, and water quality.

Of course, we've done a great deal of work to do that with the introduction of the Ag Operation Practices Amendment Act and the work that the NRCB is doing through the Ministry of Sustainable Resource Development to make sure that we maintain that protection.

The ag policy framework does provide a vehicle. An interesting comment. I will have that discussion with my colleagues on whether the vision is well enough defined. The vehicle is there. I guess you should know where it's going. I'll have a look at that.

Part of the answer here is our rural development strategy. Again I want to commend the members for Innisfail-Sylvan Lake and Wainwright for the work they did in going out and listening to rural communities and then writing a document that reflected what they said, not what the government said but what they said. I believe that there is a huge amount of interest in our rural communities in being a part of this.

4:20

We are now in the process of gathering information from other ministries. Obviously for rural development you have a large impact by Health – you've got to have Health – and, of course, Learning, Infrastructure, Transportation. There are many ministries that need to be involved in this. We're proud to be tagged in with our Minister of Economic Development to work on these strategies together. Our hope is to have that work done . . .

Mr. Smith: Don't forget the oil industry. Hands across rural Alberta.

Mrs. McClellan: Yeah. We work with them very closely because, frankly, in some areas that's what's keeping it going. It is the energy industry.

That strategy should be redefined. Go back to the communities

and say: "Now, this is what we've put together. Is this really what you believe will move us forward in our vision for our rural communities and growth, and if not, where is it wrong?" It's my hope to have that information all completed and back to us so we can incorporate it into our new business plan.

Those are just a few comments. There are some more specifics that I will provide to the hon. member at a later date.

The Chair: The hon. Member for Edmonton-Strathcona.

Dr. Pannu: Thank you, Mr. Chairman. I welcome this opportunity to ask some questions of the minister related to her department's budget for this fiscal year, 2004-2005, but before that I have some general observations to make.

I was listening to the very last part of the minister's response to the questions just before she sat down. She made two comments which I thought needed some clarification. The minister said about the corporate and factory farms, the one area on which she commented, that the farms in Alberta owned by corporations, or corporate farms, constitute only about 3 per cent of the total ownerships, I suppose, related to farms. That certainly is one way of looking at it. I think that perhaps a more critical question is: what percentage of our total volume of production is related to corporate or factory farms, and what percentage is, you know, associated with the production of family farms? So that would be additional information that would be useful.

The second comment that caught my attention as she was concluding her comments had to do with the controversy over the BSE crisis problem and who got the hit and who benefited or didn't. She particularly, I think, focused on drawing the attention of the House to the fact that the packers' costs related to labour didn't disappear, that they remained in place, and I agree. Yet we do know that while the producers lost revenues – many of them, of course, complained bitterly about not receiving the benefits from the government aid plans – the packers' profits certainly quadrupled during the same period. So that's a question that needs to be addressed, I think, seriously.

Although labour costs didn't decline – and I presume they stayed more or less the same as they were around May of last year; they may have increased only incrementally, you know, by 3, 4, or 5 per cent over that period since – then why is it that the profits of the packers quadrupled? I was talking to our research people this morning, and I was informed that although the packer profits did go down a bit over the last few months, they've come back up to the level of having a fourfold increase in them. There is something there that needs to be addressed.

As a matter of fact, the House of Commons committee on agriculture I think is questioning packer representatives today, those who agreed to be available, on that precise question. I hope that the minister will pursue this matter seriously to get to the bottom of it. Consumers didn't benefit, although the minister claims that the consumer prices did drop by 20 per cent, but they dropped by 20 per cent only with respect to certain cuts and in particular, I think, to ground beef. So when we brought the figures back to the House, we did bring, in fact, the department's own figures from the department's own web site. [interjection] I want to set the record straight on that one. Not all cuts.

As a matter of fact, there was a letter in the *Journal* yesterday where a consumer complained that a T-bone steak that he bought in, say, May of last year, in the pre-BSE period, cost him \$5.90 and a T-bone steak that he bought, the same size, this month or last month cost him \$6.90. He was asking: why is it that the prices of these cuts have not been affected by this crisis while the incomes of the producers have been hit very, very hard?

So those are some of the questions that I just wanted to draw the minister's attention to related to her remarks which were, I guess, in response to the Member for Lethbridge-East's questions.

I have some general questions here, Mr. Chairman, to the minister with respect to some of the performance measures. I'm looking at the business plans, and there was interest in strengthened rural communities as one of the key programs that the minister's department has. Looking at the performance measures under Strengthened Rural Communities, I notice that the target for this year for investment in rural businesses is in fact at least 10 per cent lower than the actual for 2003-2004. Will the minister please comment on this particular reduction in the target from the actual by 10 per cent in terms of investment in rural businesses?

The other related questions to that are: what are the types of rural businesses that are covered under this reference with respect to this performance measure? What kind of businesses are you talking about? Are they agriculturally related businesses, or are they businesses related to retail? What forms does this investment in rural business take? I'm just curious. Is it in the form of loans, grants, development of some technologies, business strategies? Where is this investment made? What form does it take?

Another target there under the same performance measures is the per cent change in total employment in rural Alberta. You know, that certainly is a concern. I know that the minister is concerned about it. Rural communities are certainly concerned about depopulation, about their ability to maintain and keep the young people in rural communities and, of course, jobs there. The last actual I think I gathered is for the year 2003-2004 and shows a .4 percentage drop in employment in the rural areas. The projected target for 2004-2005 is zero, so it will stay at the reduced level. There'll be no change in it.

What measures in the budget are in place in order to address this potential threat to the health of rural communities and their vibrancy? If employment goes down, clearly the rural communities' sustainability comes into question. So I'm asking the minister to perhaps shed some light in terms of budget allocations that will address the question of this potential drop in rural employment.

4:30

There is another quandary that I have. It's primarily because of my ignorance, I think. In the business plan under Continued Excellence in Food Safety and under Performance Measures, on page 114 at the top of the page, there's something called a "meat (Hazard Analysis Critical Control Point (HACCP-based))" measure. What is it, Madam Minister? What exactly is meant by it, and why is it at level 0 at the last actual if it's an important sort of measure? What does it measure exactly, and why is it at that level, you know, as we speak? And how is it going to go up by 6 per cent in the year under question? So these are questions that came to my mind as I was going through it.

Now, looking at the core businesses, goals, strategies, and measures, I was looking at the strategies. "Encourage market access, market responsiveness, diversity and industry competitiveness." Under diversity there was a news item in the paper just last week, I guess, with respect to some producer group, beef producers in northern Alberta who want to set up their own packing plant where they would test a hundred per cent of the animals that are slaughtered there.

Two questions on that. To me it's good news that there are efforts underway to reduce the concentration of packer capacity, you know, by these co-operative efforts made by producers themselves. What is the government position with respect to these initiatives, and is there a way in which to assist, in fact, the development of such

diversity with respect to packer capacity in the province? And, secondly, what's the government's view with respect to this intention of this group as expressed publicly to move toward a hundred per cent testing of the animals?

I know that the government has taken a very clear position driven by science, but here's a group of producers who want to move to a hundred per cent. What's the view of the minister with respect to that sort of initiative that this group of producers in northern Alberta proposes to take, and will they be supported by this minister and by this department if they get, I think, the Canadian Food Inspection Agency's okay to go ahead with it?

So those are some general questions. Now, let me look at my notes here. Oh, yes. With respect to diversification, the second part, the minister mentioned, Mr. Chairman, about Japan in the pre BSE crisis period being our second largest market. I've forgotten the figures. What percentage of our exports would that have constituted? Japan, that is.

Mrs. McClellan: Four per cent.

Dr. Pannu: Four per cent. I see. Still very small. So our primary dependence is on the U.S. market, I guess.

Mrs. McClellan: Mexico too.

Dr. Pannu: Right.

Now, what will it take to recapture that 4 per cent? I presume that every percentage is important from the point of getting a diversified base for our exports. What measures would be needed in order to recapture that market, and is it worth the cost that those measures will entail in order to capture that market?

I do want to make the general point, though, that the diversification into export markets is critical. I think that's one of the lessons that we've learned from the BSE crisis. Every effort should be made without compromising our ability to take advantage of the market next door, which is huge in itself and is easiest in terms of access, in terms of, you know, historical flows of our goods in that direction, cultural sort of continuity, geographical contiguity. The minister mentioned all those factors. But I think the fact that our export markets are so dangerously heavily concentrated in the U.S. is something that is cause for concern, and I think it's something that needs to be addressed.

I want to therefore encourage the minister to share with the House any plans that she has to seek dilution of that concentration of export markets across the border, and if we can do that, I think it's something that's very much in the interest of the industry, the interest of producers, and the interest of the economy in Alberta.

One or two other questions here. What general lessons are there to be learned from this BSE crisis in terms of our testing capacity, testing intensity? I think we've already taken some steps, and I'm pleased to note that we are testing more now than we did before.

I remember the minister and I chatting on the day that she heard the news. She called me at home, and we chatted about how serious this crisis was going to be, and I think events have proven the seriousness of that crisis. One of the, I think, weaknesses of that crisis really was that we had rolled back our capacity to test, our lab capacity. So the question is: have we expanded our lab capacity? Is it the same as it was before, or is it sufficient now to deal with any new emergency that might arise?

The third question related to lessons from BSE. Is the program designed for helping producers directly? I think the fact that the whole controversy with respect to who really benefited from the very well-intentioned efforts perhaps on all sides to help the producers

who were faced with this crisis because the animals weren't moving fast enough and the prices had plummeted – many families were facing bankruptcy or a complete economic disaster. What program design weaknesses have we discovered which explain the problems that these families faced in spite of the fact that a huge amount of public dollars were spent on that program? Are we now ready and willing and prepared to sort of plug those loopholes if we have learned about them and know what they are? That's another question, and as I say, it's a serious one.

It is the case that the producers didn't benefit very much from the initial sort of phase of the aid package, and certainly consumers didn't benefit very much. So the question is: how can the program design be improved to make sure that this does not happen in case the unfortunate case of the BSE crisis arises again.

Another question that I have for the minister – and this came from my reading of the general statement on strategies. One of the things in the strategies outlined in the core businesses of the department is enhancing “the development of new products and processes to assist industry in capturing additional value added market opportunities.”

Now, the first part of the statement: enhancing the development of new products. I haven't seen any reference in the plans here with respect to organic agriculture. There's obviously a growing interest in organically grown food and agricultural products. There's controversy over GM foods. Is there any attention paid to this growing interest among consumers here at home and abroad in organic agriculture and concerns about the safety of GM foods and GM products either in terms of consumer education or in terms of, in fact, encouraging alternative food products along organic production lines? Are there any commitments in the budget or any plans here that the minister can draw our attention to where organic producers and organic food consumers can be assured that due attention is being paid to this growing interest in this area of food production and consumption in the province?

A few other questions if I can get my pages straight here.

4:40

The Chair: Hon. member, your time is up. You'll have another chance.

Mrs. McClellan: There are a lot of things in this, and it's going to take a longer explanation than we have. Organics. Interesting subject. Niche markets. No question. However, there's a lot of work to be done in that area. How do you enforce the statements that are made about how it's grown? How do you audit that? I sell carrots; I tell you they've had no pesticides, no fertilizers, nothing. How do you know that? A whole issue around labelling.

I am concerned. I'm a supporter of the organics area, but I'm concerned that we don't have the methodology or the ability to actually back up these statements. It's a big concern. I'm a little more comfortable eating product when I actually know what they have to label and tell us what is in it and where it has been and what it has had applied to it. So I think we have a lot of work to do there. No question that it's a growth area. No question that I support the fact that there will be a niche market for that, but, boy, we better watch how we manage this whole area.

Capacity in testing. We're the only province in Canada who several months ago, in June, put out an overall plan. In fact, nobody else has done it at all yet. Fortunately, our Premier, although he may not have experienced this industry, understood the importance of it and definitely directed us to bring in an overall plan that included all of those things, such as program development to ease us through the situation, the importance of having the lab capacity that we might require.

I invited the Prime Minister to invest in this lab. I'm still hoping

that he will. They've built a new lab in Quebec. I thought it would be nice if they just put a little money into this one. It was recognized that there was one needed. We have the level 3 lab coming up, and I'm still inviting them to participate. It would be great. But we did do it.

The Canada Beef Export Federation. I don't know how familiar the hon. member is with that organization. They are our salesmen of our products in the world. They've done an absolutely fantastic job. I mentioned earlier about them opening an office in Monterrey, Mexico, and the increase in sales there. We're there in government as supporters if we need to work with them on opening doors to get meetings, to get into countries, diplomatic ways, if they need us on policy, the federal government on health regulations and so on. That's government's role. Our industry is the best salesman. They don't need us to do that. They need us to be there as supporters and make sure we have policies that do that.

One of the lessons we've learned is that we'd better pay attention more to international protocols because I think we were all just a little easy on this issue around BSE. We didn't have it. Now we realize that there's a lot of work that needs to be done to update those.

I've already I think clarified off the record that the U.S. is and will continue to be our largest market. It just makes all kinds of sense. Beef is a perishable product. Most people want to buy it fresh. Most of the countries that we talk about have long transportation times and costs associated. It doesn't mean that we won't be there and that we aren't there now. We are. The other thing is they want a different product. If anybody really has ever butchered a beef animal, it is a very diverse product line. You know, there are people that eat virtually almost every part of it. I'm not there. I'm pretty imaginative and innovative and all of that, but I draw the line in some spots.

The issue around a packing plant in northern Alberta and testing: that is the CFIA's issue. As far as I know, they have not put that forward. The CFIA will determine it. Do I have a concern? I think every decision we make should be based on science. As I understand it, in the U.S. that's what happened with Cold Creek. You take one small plant for a niche market, and they do something that then becomes imposed on everything, everyone, and you take yourself right out of the marketplace because you're up against people who don't have to do that. I think you have to have a balance in the whole industry. I hope that CFIA and their determination in this will look at a balance in the whole industry.

I did make an error earlier. I said that we had some dozen or 14 projects under our using over-30-month beef. My goodness, I just added them up. There are 45. These are Alberta companies, and I'm excited about that. That says that they're going to do this. We had \$7.1 million that was set aside to assist our companies in developing a home for this over-30-month product, because we know we're going to have it for some time. So we'll be value adding that product here instead of shipping the live animal to the U.S., where they value added it and sold it back to us. Some of that meant that they had to get new equipment or expand their operation. This, I think, is great.

There was a 20 per cent reduction, and, yes, most of it was in the lower end, but if you understand a beef carcass, you know that 26 per cent, 28 tops, is the high end, and something has to pay for the whole animal. So you didn't see the reduction, but the high ends did go down. You know, darn it, if you're going to use our web site, use it right.

Dr. Pannu: We did use it right.

Mrs. McClellan: You didn't. The information that you took off that web site was not used appropriately. Those were different dates and

different cuts. What we were talking about was a period of 10 months on the whole animal. So, you know, I appreciate people giving me information, but I like it based on facts.

I'm going to say my last comment on this. You made the statement that the packers' profits quadrupled. I would appreciate the information that backs that up because, frankly, I haven't seen it. As the minister responsible for this industry and with the passion that I feel for this industry, I will not be somebody that flings statements around that I can't back up with fact. That is the most dangerous thing that could happen to this beef industry today. The one thing I've been proud of in our industry is that they have stuck together. They have had those debates and those discussions and I think have made responsible statements, and I believe I should do that. I don't have any facts that say that packers quadrupled their profits. I don't know whether you're referring to one week or one month, but I'll tell you that when we look at it, we will look at it over the period of time that this happened.

I'm looking at the time when packers were killing at 28 per cent. I know enough about the industry to know that they were in deep red ink in that period. So should I pick that period? Or should I pick the period in August where, thanks to the federal government's reluctance to listen to us on the issue of putting an adjustment period in and/or not putting a dollar figure on it, they announced the end of the program? Everybody panicked, threw their cattle into the market, and it crashed. You bet the packers made money, if they took the animals at all. Many days they refused them totally.

4:50

This is a complex, complex industry, and you have got to look at it in the whole, not just pick parts that maybe make for: oh, gee, this will sound like packers quadrupled their profits. I want to know whether that was on May 21 or May 30 of last year or August 30 or in September, and I then would look at who was taking the profit before May 20. The fact is that in this industry there will be times when the packers take profit; there are times when the producers take the profit. You know what? In a normal marketplace it all works out because they know when the ups and downs in the market are.

The fact is that for the last 11 months we have had a totally dysfunctional market. For the first several months of this issue, the first seven, we really had a dysfunctional market until some product started to move. The fact is that until we have the opportunity for free trade in cattle, we will continue to have a dysfunctional market. I will be the last person that will stand up and make statements unless I can back them up with facts, and I can't for a fact say that in the last 11 months, from May 20 to April whatever it is today, packers quadrupled their profits. I don't have that kind of information. I, frankly, will make this statement: I don't think anybody in this industry is going to get rich over this one. I don't care whether you're on the retail side or the packer side or the producer side.

I will defend our programs, and anybody who reads the title of them knows they were applied to fat cattle, and that meant cattle that were in a terminal feedlot. I will tell you that 90 per cent of that money went to the owner of those cattle, which is where it should be. What happened from there on is the producers' business. They are the ones. But I do know that the feedlot owners that received that reinvested that money by buying the cow-calf producers' calves last fall in the marketplace at as high or higher than the year before's prices. I do know that when December 23 came and we had another incident, those same people that invested that money stood to take huge losses on those purchases that they made in good faith.

I commend Minister Speller for coming in with a program designed between the federal government and industry that helped respond to that. Do I agree with the per head payment? No, I never did, because some people will benefit more than others. I always

think it should be on the degree of the loss. However, I didn't design the program. It was their program. I'm just thankful they came in and recognized that there were still some huge losses.

I will respond in writing to some of the detail on rural development because it's a very, very important initiative. I'll sit down and let some of my colleagues speak.

The Chair: The hon. Member for Little Bow.

Mr. McFarland: Thank you, Mr. Chairman, and thank you to the minister for many, many good comments and to those that have spoken and asked questions before.

Like for a lot of people here on this issue, the BSE issue, agriculture has had a phenomenal ride, and it hasn't exactly been a great ride this year: everything from May 20 preceded by record droughts that everyone was aware of last year.

I would like to mention, just as a way of starting, that although there aren't that many of us colleagues in the Legislature that are actually from rural areas any more or those that actively farm, the riding that I do represent has what is commonly referred to as Feedlot Alley, and that area is the livestock feeding capital of Canada. Now, if anyone, you would think, should have received an awful lot of calls from producers, it should have been me. But as I've told people at various meetings that I went to, my biased opinion was that without a strong minister and a champion in agriculture, a department that was totally dedicated to trying to help the industry through this difficult time, no doubt I would have gotten a lot more calls than I did.

The thing that I felt strongly ever since the minister asked that myself and a couple of my colleagues, like the Member for Cardston-Taber-Warner, who attended a lot of these beef industry meetings – the point I was trying to get at was that the people in the industry themselves helped the minister and her staff come up with programs and solutions, which I think is a very solid way to deal with a very significant problem. I know that had it been up to many of the MLAs or any committee that a government might create, it's impossible, number one, to ever come up with a program that's going to satisfy everyone all of the time. It's far more acceptable to know that as an industry you've helped put the solution together, that you've identified the problems.

I would almost guess that the Member for Cardston-Taber-Warner and I could very much agree that as we sat in on some of these meetings, not to offer a solution or to make comment as much as to hear the concerns and hear the discussion on how we were going to see this problem through, the industry people that were there I think needed to have a pat on the back. These were the elected representatives from the various cattle groups, whether it was the Western Stock Growers' Association, Alberta Beef Producers, the Cattle Feeders' Association, the Alberta Milk Producers' Society. The meat packing industry was there and is there today.

It's a phenomenal thing to see these people with their own angst, because they all have operations of their own that are undergoing various degrees of financial difficulty or potential financial difficulty, be able to park all their personal problems at the door and come in and look at a solution to a huge, huge problem and look forward a year or six months or whatever time was required. I think it is a credit to the people that helped the ag department staff and the minister come up with some of these solutions.

Secondly, I know this doesn't specifically deal with the dollars that the minister has presented to this Assembly, but at the same time I do want to talk about the staff because there is a dollar implication. In earlier question periods we've heard questions about how much money was spent on this trip, how much money was spent on that hotel, and how much money was spent on this vehicle. Well, I

would like to submit that without the staff that are in Alberta Agriculture, Food and Rural Development, who, by the way, from my understanding are the very same staff who are making sure that all these programs that the minister has come up with are in place and being applied for, adjudicated, and paid out to the various applicants – they are all done by the same people throughout many different programs.

Now, if I was worried about the rent of a Ford Econoline van or the price of a bottle of orange juice or a jug of orange juice, I think that maybe you'd be most pleasantly surprised to see that a lot of these people who are devoting six, seven, 10, 12, 14, 16 hours a day are the very same people who aren't getting paid any overtime and who have since May 20 been in that building probably six, sometimes seven days of the week, every day, making sure that the programs are up and running, handling not just one program, Mr. Chairman, but maybe two, three, and four different programs from a variety of producers across this province, anywhere from 20,000 to 35,000 different producers who might at various times submit applications.

So I do think that the industry, especially, is very much aware of the strong team that the minister has. I know that many of the MLAs are. I think they deserve a great amount of our gratitude.

The other thing that I think people in general, the general public, may not totally be aware of all the time – and the minister alluded to it in her last comments. Some of the programs were devised, the first one and the very last one, by the federal government. It's totally their own program. As the Alberta minister of agriculture had indicated, the very first program, which was put out as a reaction to a dire need for immediate injections of cash – well, our minister and the department had indicated that it wasn't being properly designed, that if it was in fact to be on a per head calculation and if there were no criteria established around it, that the market price would in fact drop, and it did.

5:00

You know, in retrospect, again going back to the group that has worked with the department and the minister over this period of time, they came up with programs that were more suited to the flow of dollars, that helped keep a marketplace much more in tune with what you would expect to happen in a normal situation. Probably the one thing that a lot of the public weren't aware of was that some of these programs excluded the packer cattle from payment. I think that's probably one of the best secrets that many people aren't aware of, because there were allegations that the government simply wrote cheques and it all went to the packers.

I don't think a lot of people understood that even before this issue came up, there was a varying number of cattle held by packers throughout the province, and it could have ranged from 10 to 18 per cent, which varied and would continue to vary according to market conditions. So my hat is off to a program that actually worked more to the benefit, although when you're hurting, you don't see it, of the smaller and the mid-sized producer than it did to the larger and especially to the packing plant.

I would also like to comment on the standing policy committee. Our members, who range from south to north, east to west, and urban and rural, have been involved, have been the most vocal critics within the committee to our minister and also have been very supportive of the efforts that have been a result of the work done by the program director people and by the industry. Our committee has in fact been able to vet their constituents' feelings to the minister, been able to talk to the department people and keep us in tune with what has gone on and what will go on in the future.

I do want to make a comment. I think I heard one of the former speakers ask about a cost overrun, perhaps in a standing policy

committee. I would like to tell you, Mr. Chairman, that the minister of agriculture did ask me to attend a trilateral meeting on her behalf in Mexico, and that wouldn't have been something that would have happened had it not been for an issue like this. It's no deep, dark secret that if you suddenly have to go on a commercial airline from Edmonton, Alberta, through Phoenix to Puerto Vallarta, Mexico, and back, it's not very cheap. It's 1,500-plus dollars just for one person and hotel accommodations for the three nights that you are there. By the way, we never really left the hotel. It was meetings.

Mrs. Gordon: Did you have orange juice?

Mr. McFarland: No, I drink apple juice. I didn't have any orange juice, member, and I didn't have any *dos cerveza*. Is that the name?

The meetings that were set up rotate each year. They're held between the U.S., Mexico, and Canada. This year it happened to be in Mexico, and it was at the state and provincial levels. They would have our equivalent of ministers of agriculture from the various U.S. states, from the 38 Mexican states, and from our 10 provinces and territories. Fortunately for us we had a very strong contingent from Ontario back to B.C. There were probably half of the Mexican states represented there.

What happened was most interesting. It was at a time when there was some resolve to the anaplasmosis and bluetongue issue. That was basically settled during the course of this meeting.

The other thing that I think was most worthy of note was that during the time that I spoke to commissioners of agriculture, for instance, from Arizona and New Mexico, never once did I hear a comment that the border shouldn't open. Never once from any of the Mexican state secretariats of agriculture did I hear any comment that the border should not open. Every one of the Mexican state departments of agriculture wanted the border to open.

Do you know what I think was most important, Mr. Chairman? It was towards the end of the wrap-up. There had been an overview of the benefits of NAFTA between the U.S. and Mexico, between Canada and Mexico. If a person doesn't see graphically the numbers of dollars that have flowed because of the NAFTA agreement – albeit there can be times when there have been things that people question. The phenomenal growth in processed meat alone, just on the agricultural side, between Canada and Mexico, between Mexico and the U.S., is remarkable, and there's strong growth there.

The other thing that had to make you feel very proud was when the governor of the state of Jalisco – and granted, this was through an interpreter – stood up and said that Canada had a testing system that was, in his words, the model that should have been used by everyone. I think that in itself should have made not just producers but consumers feel not just proud but actually reassured that we do have a good system. The Mexican governor of the state of Jalisco wished that everyone would use that same model across North America, and if we could accomplish some of these uniform tests and regimes that we follow, not just in Canada and the U.S. but also, they meant, including themselves, it would be a huge step in making sure that our trade, our testings are all contiguous and following the same regime.

Lastly, Mr. Chairman, the open borders that had been talked about I think finally came to fruition. We heard the news this past week. It is a slow, anguishing type of situation that everyone has been through.

I would like to close on the note that we still haven't talked about the Canadian Wheat Board, and I'm surprised that we haven't talked about the prospects for this year. Who knows what those could or couldn't be? To some degree we've not had an opportunity to discuss some of the changes, especially in crop insurance. In the

overall scheme of things everything has seemed relatively minor compared to the BSE, but life goes on, and I do thank you for the opportunity.

Mrs. McClellan: Mr. Chairman, I'll be very brief. I know that there is another hon. member that wants to get a couple of questions on the record, and there's very little time left.

I want to thank the Member for Little Bow for his comments. I want to thank him for his work as chair of the standing policy committee and for the attendance at the majority of our meetings. I appreciate the commitment of all of our colleagues that have invested a huge amount of time and energy into solving this.

I was reminded by his comments that all of the programs we have were designed by industry and government together. So maybe I get a little sensitive when I hear criticism of the program design because it's a criticism of our industry, who in uncharted waters were doing the very best they could. I can tell you that the people that attended those meetings and spent hours and hours on that design gave up time from their own operations that they probably should have spent there trying to keep their stuff together.

The last thing that I do want to say, because this may be the last time that the Member for Lethbridge-East debates estimates of the department of agriculture, is that I have appreciated him being the critic for my department for the last three years. We have not always agreed on everything, but we have always had an opportunity to have what I believe was a very informed debate, at least informed on his side and I tried to learn.

5:10

Hon. member, you have always treated me in the best way when it came to the issues around agriculture because, I believe, you have a strong interest in the health of this industry. I think the thing I appreciated the very most was my ability to call you prior to an announcement, discuss the detail and the design of the announcement, and know that you would hold that in confidence. I appreciated that integrity, and you never let me down in that area, so I wanted to say that here.

It's a great thing for a minister to be able to talk to their critic, to discuss issues, and to know that that member will treat the information in the manner that it was shared with them. I wish you well, and I probably will miss your debate. You've challenged me a good number of times and held me accountable at others. I do wish you well, and I thank you for your participation.

The Chair: In the two minutes remaining, the hon. Member for Edmonton-Gold Bar.

Mr. MacDonald: Thank you, Mr. Chairman. In the time left I have many questions. The first one centres around crop insurance. Earlier today we heard from the hon. Premier that it was socialistic – I think that was the word he used – to have public insurance. I would like to know in regard to crop insurance precisely how much money the taxpayer is putting into those programs and if the minister considers that to be socialistic.

Also, in regard to the Agriculture Financial Services Corporation we're going to certainly see the CAIS program developed, but there are many other programs.

In the time permitting, Mr. Chairman, the Premier during question period makes reference to the selected payments to Members of the Legislative Assembly, mine in particular for \$10,000, which I use. I would probably use a lot less with no electricity deregulation.

There are other members here who get significant money from many different government support programs in relation to agriculture. If I could have an explanation. How much money are we

going to spend? How does one collect it; for instance, for the crop preharvest payments made by the Agriculture Financial Services Corporation, the hay postharvest payments made by the Agriculture Financial Services Corporation, the lack of moisture payments made by the Agriculture Financial Services Corporation, the Canada/Alberta farm income assistance program payment made by Agriculture, Food and Rural Development, and the farm income assistance program? I think that's going to be changed over into the CAIS program.

So we have a lot of programs here, and I would just be interested to know: how do you apply? What is each one of these individual programs based on? What is the budget for these income support programs this year? I see a lot of . . .

The Chair: I hesitate to interrupt the hon. Member for Edmonton-Gold Bar, but pursuant to Standing Order 58(5), which provides for the Committee of Supply to rise and report no later than 5:15 on Tuesday, Wednesday, or Thursday afternoon, I now must put the question after considering the business plan and proposed estimates for the Department of Agriculture, Food and Rural Development for the fiscal year ending March 31, 2005.

Agreed to:

Operating Expense and Equipment/Inventory Purchases	\$431,816,000
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The Chair: Shall the estimates be reported?

Hon. Members: Agreed.

The Chair: Opposed? Carried.

The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Chairman. I move that the Committee of Supply rise and report the estimates of the Department of Agriculture, Food and Rural Development and beg leave to sit again.

[Motion carried]

[The Deputy Speaker in the chair]

The Deputy Speaker: The hon. Member for Calgary-Lougheed.

Ms Graham: Thank you, Mr. Speaker. The Committee of Supply has had under consideration certain resolutions, reports as follows, and requests leave to sit again.

Resolved that a sum not exceeding the following be granted to Her Majesty for the fiscal year ending March 31, 2005, for the Department of Agriculture, Food and Rural Development: operating expense and equipment/inventory purchases, \$431,816,000.

The Deputy Speaker: Does the Assembly concur in this report?

Hon. Members: Agreed.

The Deputy Speaker: Opposed? So ordered.

The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Speaker. I move that we adjourn until 8 this evening, at which time we'll return in Committee of Supply.

[Motion carried; the Assembly adjourned at 5:16 p.m.]